



REQUEST FOR PROPOSALS
City-Owned Property Contribution
For Affordable Housing

August 13, 2019

Applications due by 5:00 PM SEPTEMBER 30, 2019

COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street | Ellensburg, Washington 98926 | 509-962-7231

<https://ci.ellensburg.wa.us/>

1. INTRODUCTION

The City of Ellensburg is seeking proposals from qualified developers to develop affordable housing in the City of Ellensburg. Two city-owned sites (total of three parcels) are available for affordable housing construction proposals. Through this Request for Proposals (RFP), applicants may apply for the contribution of the following City-owned properties: parcel numbers 541133, 937033, and 617033.

Proposals may be submitted by a single organization that meets 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.

Allocation of city-owned property is a competitive process administered by the City of Ellensburg Affordable Housing Commission with final decisions made by City Council. Other funding opportunities may be held throughout the year as funds allow.

Selected proposals will need to be approved by City Council and a contractual agreement must be in place prior to disposition of property. The City will negotiate the specific terms of the contract with the selected applicant. The contract may contain covenant(s) limiting development on the property to that which has been approved. The contract will also include annual reporting requirements to ensure compliance with the terms of the contract. 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 applicant 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 or enter into direct negotiations with one of the other qualified respondents to the RFP. The contract, all associated documents, and the corresponding legislation for disposition of property is subject to approval by City Council.

Please refer to Section 9 of this RFP for a description of the application schedule. Applicants are required to attend a pre-funding application meeting with City staff prior to submitting an application under this RFP. Applications that are deemed complete and meet eligibility criteria by City staff will be reviewed and evaluation by the Affordable Housing Commission with award recommendations forwarded to City Council as the final decision maker.

2. CITY OF ELLENSBURG HOUSING NEEDS

The following is a brief summary of housing needs in the City of Ellensburg. The most recent City of Ellensburg housing needs assessment data is contained in an interactive website, accessed using the following link: [Creating Affordable Housing in Ellensburg.](#)

Also available on the City’s website at: <https://ci.ellensburg.wa.us/1069/Housing-In-Ellensburg>

As of 2018, there are an estimated 19,660 people living in the City of Ellensburg and the City is expected to grow at a rate of 2% each year for the next 20 years. Over half of these residents are likely to be students at Central Washington University. Ellensburg also has a significant percentage of residents over the age of 65, this percentage is expected to rise in coming years.

Cost burdened households

One of the best indicators of affordable housing needs is the number of households that are cost burdened. A household is considered to be cost burdened if they spend more than 30% of their income on housing and basic utility costs. Cost burdened households have limited resources left over to pay for other necessities such as food, clothing, medical care, transportation, and education, and are also at higher risk of displacement when housing costs rise or life circumstances change. As of 2017, there is an estimated 765 non-student renter households and almost 400 non-student homeowner households that are cost burdened.

As of 2017, the greatest number of households experiencing cost burden are elderly people living alone and small families (two to four member households). The vast majority of cost burdened households earn less than 80% of Area Median Income (AMI). By using a proxy for student households, they have been excluded from this statistic.

Vacancy rates

A healthy housing market should have around 5% of all units vacant at any given time. When vacancy rates are lower than 5%, competition for the limited supply of available units increases. This can drive up the cost of housing.

According to a survey that is conducted twice annually by Washington Center for Real Estate Research, Kittitas County has been experiencing extremely low apartment vacancy rates of below 1%. Since Ellensburg contains the vast majority of apartment units in the County, this survey is largely reflective of conditions in Ellensburg.

Housing inventory and household sizes

As of 2017, about 70% of all households in Ellensburg have only 1 or 2 members. Yet only 28% of housing unit inventory are studios or 1-bedrooms. The lack of smaller housing types can pose a barrier to many people living alone or with a partner who do not need or cannot afford a larger home.

3. AVAILABLE CITY-OWNED PROPERTY

As allowed by RCW 39.33.015, Ellensburg City Council designated three city-owned parcels for affordable housing development; upon award the properties will be contributed through a no cost transfer of ownership. Consistent with state law, housing on these properties is required to serve households earning **80% or less** of Area Median Income (AMI). **See attached maps for locations of the following three parcels, described as two properties.**

A. COMMUNITY GARDEN – parcels 937033 and 617033

This site is located on the northeast corner of the East 1st Avenue and North Pine Street intersection. The property is currently in use as a community garden and is bordered by single family homes on the south, east, and west. The north side of the property is bordered by a public parking area. See Exhibit A.

A Boundary Line Adjustment is underway on parcel 937033 to maximize the land available for affordable housing, tentative boundaries are depicted in the map included as Exhibit A.

- **Site size and topography:** The property is approximately 0.34 acres, with level topography. The site has approximately 120 feet of frontage on both East 1st Avenue and North Pine Street. The boundary line adjustment will tentatively expand the property to 0.50 acres, with 180 feet of frontage on North Pine Street.

- **Zoning:** The property is zoned Central Commercial, a central business district designation that allows duplexes, townhouses, and multifamily residential development up to 45 feet in height. The Central Commercial zone does not have a density minimum or maximum.
- **Parking:** The off-street parking requirements can range from 0.7 off-street parking spaces per studio and one bedroom dwellings to 1.0 off-street parking space per bedroom in units that have two or more bedrooms.
- **Setbacks:** No front yard setback; side yard setback – 5 feet/10 feet; rear yard setback – 20 feet.

B. BENDER AND WATER STREET – parcel 541133

This undeveloped 2.86 acre site is located on the northeast corner of the West Bender Road and North Water Street intersection. This property is bordered by single family homes on the south and east sides. To the west is a 2.86 acre parcel with one single family home and to the north is undeveloped land. See Exhibit B.

- **Site size and topography:** The property is 2.86 acres, with level topography. The site has approximately 200 feet of frontage on Bender Road.
- **Zoning:** The property is zoned Residential-Suburban and is in Airport Operation Zone 6. The maximum density on this property is 6 dwelling units per acre with no density bonuses available, this would allow for a maximum of 18 single family or cottage dwelling units.
- **Parking:** The parking requirements for single family dwellings is 2 off-street parking spaces per dwelling unit and 1 additional space for each bedroom in excess of 4 bedrooms. The parking requirements for cottage housing is 1.5 parking spaces per dwelling unit.
- **Setbacks:** front yard – 15 feet; side yard – 5 feet/10 feet; rear yard – 20 feet.
- **Water Street extension:** To fully develop this site Water Street will need to be extended consistent with City of Ellensburg Public Works development standards.

4. PRE-APPLICATION MEETING

All applicants are required to attend a pre-funding application meeting with City staff prior to submitting an application. As feasible, pre-funding application meetings will include an Affordable Housing Commission member(s). **All pre-application meetings must be held on or before September 27, 2019.**

You may schedule a pre-funding application meeting by contacting Angela San Filippo at sanfilippoa@ci.ellensburg.wa.us or (509) 925-8653.

5. SUBMISSION DETAILS

All applicants must submit an electronic copy of the full application. Electronic applications may either be emailed to sanfilippoa@ci.ellensburg.wa.us or submitted via flash drive and must be received by the deadline. Applications must be clearly labeled as *Proposal: City of Ellensburg 2019 Affordable Housing Property Contribution Application*. Please address mailed materials to:

City of Ellensburg Community Development Department
 Attn: Angela San Filippo
 501 North Anderson Street
 Ellensburg, WA 98926

Submissions must be received by **5:00 PM on September 30, 2019**. Any applications received after the deadline will not be accepted or considered.

6. APPLICATION REVIEW AND SELECTION PROCESS

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

If deemed complete and eligible, staff will prepare an analysis for each proposal. The complete application and staff analysis will be provided to the Affordable Housing Commission to assist the Commission in making city-owned property allocation recommendations to City Council.

The Affordable Housing Commission will hold in-person interviews with applicants during a regularly scheduled Commission meeting, where applicants will present their proposal and answer questions from the Commission. Applicants will be informed by **Friday, October 11, 2019** as to whether or not they will be invited to participate in an interview.

Following interviews with the applicants and deliberations, the Affordable Housing Commission will make recommendations to City Council. City Council is the final decision maker on allocations of city-owned property.

Prior to execution of contracts with successful applicants, applicants will be required to submit financial information to include:

- Past 2 years income statements (revenues/expenditures and net profit/loss)
- Past 2 years balance sheets (assets/liabilities)

7. ELIGIBILITY AND PROPOSAL REQUIREMENTS

The most current application forms are available on the [Community Development webpage \(https://ci.ellensburg.wa.us/1069/Housing-In-Ellensburg\)](https://ci.ellensburg.wa.us/1069/Housing-In-Ellensburg) or by contacting staff. Consideration of a funding request requires the following:

1. In order to be eligible for consideration applications must be complete, meet all requirements, and submitted on or before the posted deadline according to the instructions.
2. Applicants received before the deadline may be provided a single, time-limited opportunity to address any deficiencies in a submitted application.
3. Applicants are required to update their applications with any material changes impacting the project or the organization that occur after the application has been submitted.

A. ELIGIBILITY REQUIREMENTS

Eligible households – city-owned property	80% AMI or below (see description in subsection B below)
Eligible applicants	<ul style="list-style-type: none"> • 501(c)(3) non-profit organization • Private developer/builder • Public Housing Authority
Types of projects/activities	<ul style="list-style-type: none"> • City investment must directly support creation of new affordable housing units.
Compliance with city regulations and consistency with comprehensive plan	<ul style="list-style-type: none"> • Ellensburg City Code – Land Development Code, Public Works Standards, etc. • Goals and policies of Ellensburg Comprehensive Plan
Compliance with previous financial awards	Compliance with previous funding agreements and affordability covenants, including timely reporting.
Retention of affordability	Minimum affordability retention of 40 years required for City-owned property contribution.

B. ELIGIBLE HOUSEHOLDS

All City of Ellensburg supported housing developments must serve households deemed eligible by state statutes. The Kittitas County AMI (Area Median Income) in 2019 is \$72,300 per year. AMI is based on median family income, which is somewhat higher than the median income of all households in the county. As defined by RCW 39.33.015 contribution of city-owned property must serve households that earn no more than 80% of AMI.

The United States Department of Housing and Urban Development (HUD) provides annual income limits adjusted by household size. The intention is for income limits to be higher for larger families and lower for smaller families. Housing is considered to be affordable if a household is paying no more than 30% of their income on housing costs, including basic utilities. 2019 HUD-provided income adjusted by household size and rent limits (including basic utilities) for housing type are shown below for 80% of AMI in Kittitas County.

Table 1. 2019 HUD Provided Household Income Adjusted by Household Size

Household income	Household Size							
	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
80% AMI	\$40,488	\$46,272	\$52,056	\$57,840	\$62,467	\$67,094	\$71,722	\$76,348

*Income limits provided by HUD are effective 4/24/2019. Numbers represent gross annual income.

Table 2. 2019 HUD Provided Rent Limits by Housing Type and Household Income

Household income	Housing type - number of bedrooms					
	Studio	1-bedroom	2-bedroom	3-bedroom	4-bedroom	5-bedroom
80% AMI	\$1,012	\$1,086	\$1,301	\$1,504	\$1,735	\$1,851

Residential development projects that are awarded City-owned property will be expected to submit annual reports identifying household incomes and rents consistent with the annual HUD provided income and rent limits.

EVALUATION CRITERIA

The Affordable Housing Commission and Community Development staff will evaluate each of the criteria below on a scale of 0 to 5 points (see the point descriptions below the evaluation criteria table). The scores will be weighted based on the percentage assigned in the table below for a total of 100 percent. Scores will be used as a guide for prioritization of projects by the Affordable Housing Commission, Ellensburg City Council will make final funding and property contribution decisions.

EVALUATION CRITERIA	CATEGORIES	PERCENT
Identified housing needs and investment priorities	<p>As per RCW 39.33.015, proposals must serve households earning no more than 80% of AMI. Proposals that serve one or more priority populations will receive additional points:</p> <ul style="list-style-type: none"> • Senior households (age 62 or over) • Families with children • People with special needs (individuals with disabilities; individuals with mental/behavioral health issues) • Project addresses the housing needs identified in the most current Ellensburg Housing Needs Assessment data 	25%
Retention of affordability	<ul style="list-style-type: none"> • Length of time committed to affordability in relation to property contribution request (minimum affordability retention period of 40 years) • Annual affordability reporting requirements • Immediate vs. long term impact 	20%
Leverage and collaboration, and financial assessment (other financing and in-kind contributions; collaboration between developers, housing organizations, other jurisdictions, and neighboring properties)	<p>Leverage and collaboration may include:</p> <ul style="list-style-type: none"> • Amount of other funds committed/expected • Amount of in-kind contributions • Letters of support • Public/private partnerships • Confirmation of funding • Building cost (total cost, cost/unit, cost/square foot) • Cost effectiveness (city subsidy/unit, other sources/unit, city subsidy vs. total cost, other subsidy(ies) vs. total cost) 	20%
Staff evaluation - readiness to proceed/feasibility (This criteria will be evaluated by staff)	<p>Dependent on project/activity this will include:</p> <ul style="list-style-type: none"> • Site control (assumed site control on city-owned properties) • Scope of work • Expected planning and/or zoning approval timeframe • Construction start date • Expected timeline and project completion date 	15%
Community impact (tangible benefit to the community as well as intended beneficiaries)	<ul style="list-style-type: none"> • Housing type (i.e. studio, 1, and 2 bedroom units) • Number of units • Access to services and amenities (transit, employment opportunities, shopping, etc.) • Opportunities for beneficiaries to build financial stability. • Dispersed throughout city • Project/activity promotes sense of place and community • Creates diverse housing capacity 	10%
Property Management and Development Team Capacity (developer, architect, financing partners, general contractor, construction management, and property management)	<p>The development and property management teams have skills, resources, and capacity to achieve proposed activity; including:</p> <ul style="list-style-type: none"> • Demonstrated experience on projects/programs of similar size and scope • Demonstrate property management plan • Capacity to manage program (applicant screening, reporting capability) • Property maintenance plan • Qualified staff 	10%

8. TENTATIVE APPLICATION SCHEDULE

After the City issues the Request for Proposals, the allocation process follows the tentative schedule listed below. The actual timing is dependent upon applicant responsiveness and Affordable Housing Commission meeting schedules. Staff may extend the review period or document preparation in consideration of the project’s readiness to proceed and receipt of a complete application. While time sensitive requests are accepted anytime during the year, the application process follows the same, yet expedited, timeline.

ACTIVITY	TIMELINE
Prior to application submittal	
Request for proposals posted on city website and email notification sent to partners. <i>Please contact staff to be added to the funding notice distribution list.</i>	Minimum of 6 weeks prior to funding application deadline
Pre-funding application meeting - applicant schedules meeting with City staff	Meeting must be held prior to submitting funding/property contribution application
Application review	
Application submitted	Week 0
Staff verifies eligibility and completeness of applications.	Weeks 1-3
Applications deemed eligible are posted on city’s website and forwarded to Affordable Housing Commission.	Following determination of eligibility
Staff analysis of feasibility and readiness to proceed	Week 5-6
Staff analysis submitted to Affordable Housing Commission.	Week 6/7
Affordable Housing Commission meeting - applicant presentations	Week 8/9
Affordable Housing Commission deliberation and recommendation	Week 9/11
Recommendation submitted to City Council.	Week 12/13
Following City Council decision	
Allocation notice sent to applicant and posted on the city website	Week 1 following City Council decision
Meeting with funding recipient and review of financial information	Week 2-3
Funding documents (agreement, covenant, promissory note, as applicable) drafted by city staff and shared with applicant for review.	Week 4-5
Contract signed by applicant and returned to city.	Dependent on applicant action
City executes agreement	Dependent on applicant and city contract negotiations

9. PROPERTY AVAILABILITY

The City assumes no liability to the awardee, its contractors, its agents or further obligations to the awardee in the event anticipated city-owned properties are retracted or otherwise unavailable for their intended purposes.

10. EXTENSIONS AND WAIVERS

Award agreements may be extended at the City's discretion upon written request of the awardee. The City has the discretion to waive all or certain conditions to an award. The extension or waiver request must provide evidence of unforeseen circumstances and adequate progress in achieving the desired outcomes.

11. DISCLAIMERS AND DISCLOSURE

This RFP is not a commitment or contract. The City of Ellensburg reserves the right to pursue all ideas generated by this request, alter timelines, amend or retract the RFP, and/or reject any submissions.

Upon delivery, all proposals and related materials become the property of the City and under state law will become public records subject to public disclosure unless specifically exempted.

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 preparation costs and related expenses are at the sole risk of the applicant. No applicant shall have any claim against the City for costs incurred in responding to this RFP or in any negotiations, modifications, presentations, or other actions to secure a contract for transfer of property. Unless and until a contract has been duly authorized by ordinance and signed by the City and the applicant, the City shall retain the right to terminate the RFP process, and/or dispose of city-owned property in any manner permitted by law, without liability to the applicant.

12. Definitions and Acronyms

Area Median Income (AMI)

Area Median Income (AMI) is the midpoint of a region's income distribution for a family of four. Half of the families in a region earn more than the median and half earn less than the median. Each year the United States Department of Housing and Urban Development (HUD) calculates the median income for every metropolitan region in the country.

HUD

United States Department of Housing and Urban Development

Revised Code of Washington (RCW)

Revised Code of Washington (RCW) is the compilation of all permanent laws no in force. It is a collection of Session Laws (enacted by the Legislature, and signed by the Governor, or enacted via the initiative process), arranged by topic, with amendments added and repealed laws removed. It does not include temporary laws such as appropriations acts.

RFP – Request for Proposals

EXHIBIT A. COMMUNITY GARDEN PROPERTY –

Tentative boundaries pending a boundary line adjustment with parcels 267033 and 937033



Boundary Line Adjustment Survey – Parcels 267033 and 937033

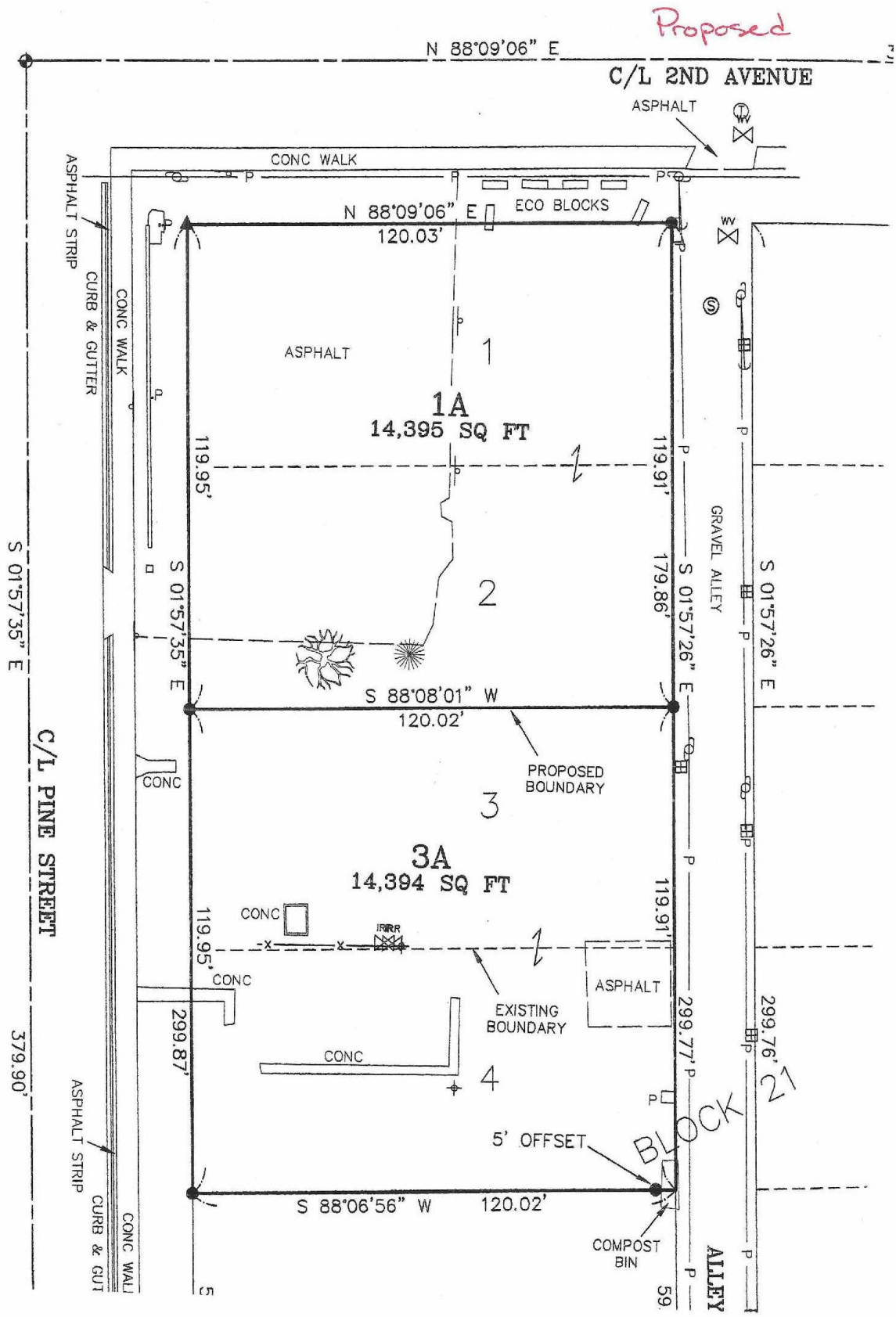


EXHIBIT B. BENDER AND WATER STREET PROPERTY

