



230 Main Affordable Housing Project Request for Proposal

June 3, 2024

Overview

In December of 2023, the City of North Bend City Council acquired a 0.4-acre parcel in downtown North Bend for an affordable housing project. The City is seeking an entity, organization, or consortium of organizations to construct and manage affordable rental housing on the property to achieve the following goals:

- Establish long-term housing affordability (55+years) up to 60% AMI for all units.
- Serve as a replicable model for innovative affordable housing.
- Demonstrate the City's commitment to meet its economic development goals of providing a variety of housing types and price ranges to make North Bend more livable.
- Support the North Bend Housing Action Plan to encourage affordable housing for businesses that provide critical amenities serving the needs of North Bend residents.
- Provide an affordable housing product that is consistent with the City's design standards and aesthetic of a mountain town community.
- Utilize creativity and innovation as well as a desire to work closely with the City to establish a long-term affordable housing project.

North Bend Community

Located approximately 40 miles east of Seattle along Interstate 90, North Bend is a community of over 8,000 residents situated in the Snoqualmie River Valley. A mountain town community, North Bend has seen tremendous growth over the last five years largely due to the growth of the information technology industry in Seattle and Bellevue. As a result, housing affordability has increasingly become an issue both for local small businesses and their local workforce as well as for Boyne Resorts, who operates Snoqualmie Summit, a destination ski and summer recreation facility 30 miles east of North Bend.

In the summer of 2023, the North Bend City Council approved both Economic Development and Housing action plans that prioritized the development of affordable housing to support local businesses and their workers. In the fall of 2023, North Bend was presented an opportunity to acquire a residential parcel in the downtown area for an affordable housing project. The City Council agreed to the purchase with the condition that the project brings long-term affordability for the local workforce.

Purpose of the Request for Proposal

The City of North Bend is seeking to partner with a developer to construct and manage an affordable housing rental project that ensures long-term affordability (55+ years) and provides housing to tenants who

are at or below 60% AMI.¹ The City wishes to encourage proposals that demonstrate financial feasibility and sustainability combined with exceptionally strong design and a proven track record of quality affordable house construction and management that meets the City's goals.

Successful proposals for the affordable housing project will work closely with City staff to implement the project. The City of North Bend intends to provide the following resources for the project:

- Provide dedicated staff to support the project development and serve as a single-point-of-contact to trouble-shoot any issues;
- Enter into a long-term lease or purchase and sale agreement with appropriate deed restrictions with a developer to support affordability;
- Utilize the City's affordable housing funds for on-site infrastructure improvements to meet the needs of the project;
- Apply for local and state grants if needed to support the implementation and long-term affordability of the project; and
- Establish a property tax exemption if applicable.

More information about the property as well as information about property zoning and North Bend's Downtown Master Plan can be found at the "230 Main Affordable Housing RFP Website"

<https://www.northbendwa.gov/419/230-Main-Affordable-Housing-Request-for->.

Selection Process

Responses to the Request for Proposal (RFP) will be evaluated by a committee approved by the City of North Bend. The committee will present their recommendation to the City Administrator and, if approved, the City Administrator will then present the selected proposal to the North Bend City Council for consideration.

Submittal Requirements

Below are the submittal requirements for the RFP.

1. Eligible Respondents

The City of North Bend is seeking an entity, organization or a consortium who can successfully construct and manage the affordable housing project. Eligible parties must be able to:

- Demonstrate the ability to construct and manage affordable housing projects;
- Create a building design that meets the City's downtown form-based code criteria and adheres to the mountain-town aesthetic of the community;
- Provide affordable rental housing for tenants who are at or below 60% AMI;
- Show a proven track-record of using the full range of affordable housing tools such as the Low-Income Housing Tax Credit, property tax exemptions, tax exempt bonds and loans, and state and federal grants;

¹ Per RCW 82.14.530: Sales and Use Tax for Housing and Related Services may be used for persons with behavioral health disabilities; Veterans; Senior citizens; Persons who are homeless or at-risk of being homeless, including families with children; Unaccompanied homeless youth or young adults; Persons with disabilities; or Domestic violence survivors.

- Demonstrate an ability to obtain financing for affordable housing projects; and
- Bring projects to completion in a timely manner.

Interested parties should also provide evidence and technical competence of key personnel that demonstrates the team members possess public/private experience and possess the financial capacity to implement this project. The evaluation process will consider whether parties have their own at-risk cash investment at stake.

2. RFP Responders Meeting

A meeting will be held between city staff and interested developers to discuss the affordable housing project and answer any questions about the RFP or the submittal process on June 24, 2024, 11:00am to 12:00pm Pacific Time Via Teams.

Please email James Henderson, Economic Development Manager, City of North Bend at jhenderson@northbendwa.gov to request a Teams invite.

3. Response Requirements

Response requirements stated in this RFP are mandatory and shall be provided on the entity or organization's letterhead according to the information requested. Failure to thoroughly address any requirement identified in this RFP may result in a respondent's disqualification. Failure to provide all documents requested may result in a respondent's disqualification.

Interested parties are required to organize their proposals into the following sections. Additional information may be included under separate sections. **Responders will provide six (6) original copies and one digital copy.** Submitted proposals must include:

- A. Name and address of organization(s) and name, title, email, and phone number of point of contact submitting proposal;
- B. Background and/or history of each of the organizations included in the proposal. This should include any experience in building operations and project management (10 Points);
- C. Organization's ability and qualifications to construct, lease and operate an affordable housing project (identify key members of the project operations team and briefly describe their relevant experience and duties);
 - Proposals demonstrating readiness to implement with an available budget to complete and operate the project will score higher than proposals which do not demonstrate this ability (20 Points).
- D. A description of existing affordable housing development project(s) the applicant currently owns and/or manages and how this project will impact the applicant's operational capacity;
 - Proposals which demonstrate the ability to create a building design that meets the City's conditions will score higher than proposals which do not demonstrate this ability (10 Points).
- E. Describe the model that will be used to operate the affordable housing project in North Bend. (If organization(s) will be subcontracting, describe the services delivery system and contractual relationship that will be implemented.) (20 Points);
- F. Provide a business plan to operate the affordable housing project in North Bend with anticipated income and expenses (10 Points);

- G. Develop a project budget to include available capital, use of affordable housing incentive tools, plans for additional capital and/or operating funding. Include a complete list of all investors and their contributions (20 Points);
- H. Attach the most recent fiscal year-end organizational audit or financial statement on the audit agency's letterhead, signed by the auditor (completed by a CPA) (5 Points); and
- I. Board of Director's roster and a list of principle partners involved in the project (5 Points).

4. Scoring Summary

Item	Maximum Number of Points
A. Organizational/Consortium Background	10 Points
B. Ability and Qualifications	20 Points
C. Current Affordable Housing Projects and Management	10 Points
D. Affordable Housing Operation Model	20 Points
E. 5-Year Business Plan	10 Points
F. Project Budget	20 Points
G. Audited Financial Statements	5 Points
H. Board of Directors/Principal Partners	5 Points
Total Maximum Possible Points	100 Points

5. Evaluation & Selection

Evaluation

- The City of North Bend's Affordable Housing Committee will evaluate the proposals based on the scoring criteria and consistency with the project's goals and objectives.
- The top proposal(s) will be invited to take part in an interview to present their proposals to the Affordable Housing Committee and answer any questions. The scoring criteria for the interview is as follows:

Item	Maximum Number of Points
Presentation Quality	20 Points
Ability to convey project to the audience	20 Points
Response to Committee Questions	10 Points
Total Maximum Possible Points	50 Points

Selection

- Based on the proposal and interview scorings, the Affordable Housing Committee will recommend the top proposal(s) to the City Administrator.
- If the City Administrator concurs with the Committee's selection, the top proposal(s) will present their affordable housing project to City Council.
- City Council will consider the preferred proposal.

Notification of Selection

- Following City Council consideration, the preferred proposal shall receive a written notification from the City of their selection.

6. Anticipated Schedule (Subject to Change)

- RFP Release: June 3, 2024.
- RFP Responders Meeting: June 24, 2024, 11:00am to 12:00pm Pacific Time Via Teams.
 - Please email James Henderson, Economic Development Manager, City of North Bend at jhenderson@northbendwa.gov to request a Teams invite.
- RFP Responses Due: August 2, 2024, by 12:00pm Pacific Time.
 - Responses can either be mailed or provided in person at North Bend City Hall.
 - Send responses to the attention of: James Henderson, Economic Development Manager, City of North Bend, 920 SE Cedar Falls Way, North Bend, WA 98045.
 - ***No responses will be accepted after 12:00pm.***
- RFP Proposal Evaluations: Week of August 19, 2024.
- Affordable Housing Committee Interviews: Weeks of September 9 and 16, 2024.
- City Council Proposal(s) Presentation & Potential Selection: October/November 2024.
- City Council Contract Approval: November/December 2024.

Disclaimer

The City of North Bend, in its sole judgment, reserves the right to (I) amend, modify or withdraw this RFP, (II) revise any requirements of this RFP at any time, (III) require supplemental statements or information from any respondent to this RFP, (IV) accept or reject any or all responses to this RFP, (V) revise the schedule to advertise, receive, and review responses to this RFP, (VI) renegotiate or hold discussions with any respondent(s) to this RFP and allow such respondent(s) to correct deficient responses which may not completely conform to the instructions contained herein, or immediately eliminate responses which are incomplete or unresponsive to this RFP, and (VII) cancel and reissue, in whole or in part, this RFP if the City of North Bend, in its sole discretion, deems it to be in the City's best interest.

The City of North Bend may exercise the foregoing rights at any time without notice and without liability to any respondent to this RFP or any other party. Responses to this RFP shall be prepared at the sole cost of the respondent. Additionally, responses to this RFP shall not obligate the City of North Bend to procure any of the professional services described herein from such respondents.

Public Records

Under Washington state law (Chapter 42.56 RCW – Public Records Act), documents submitted in response to this RFP become public record upon a contract being enacted by the awarded agency and City of North Bend, subject to mandatory disclosure upon request by any person, unless the documents are exempted from public disclosure by a specific provision of law.

If the City of North Bend receives a request for copying or inspection of any such documents submitted to the City, it will promptly notify the requesting party (by U.S. mail) within five business days that the request was received and of its decision to either provide the information or deny the request.

Prior to the disclosure of any documents received in response to this RFP, the City of North Bend will notify the specific respondent that a request for a copy and inspection of their submitted documents has been made and will postpone disclosure of subject documents for a reasonable period-of-time as permitted by law to enable the respondent to seek a court order prohibiting or conditioning the release of the documents. The City of North Bend assumes no contractual obligation to enforce any exemption.