



# RFP# 22-C2789: AFFORDABLE HOUSING DEVELOPMENT PROPOSAL

REQUEST FOR PROPOSALS: *The City of Kenmore is seeking partners to help build new affordable housing units in Kenmore*

## EXECUTIVE SUMMARY

The City of Kenmore is requesting affordable housing development proposals for City-owned property located at 6532 Bothell Way NE in Kenmore, Washington. The mixed-use building to be designed in this proposal will consist of 100% affordable rental units (including some units affordable to households earning no more than 30% of the Area Median Income {AMI}) and will incorporate commercial or community space on the building's ground floor. This partnership will result in an equitable, cost efficient, visually appealing and high-quality mixed-use building to be constructed and ready for occupancy by the end of 2026.

Affordable housing is the Kenmore City Council's #1 priority, and the City is dedicating more than \$5 million of its own resources to this affordable housing development proposal. The City is also leveraging \$3 million in funds from A Regional Coalition for Housing (ARCH), for a total combined starting public investment of more than \$8 million.

The City envisions a building of affordable rental units, with at least 10% of the units, and preferably closer to 20%, designated for those at or below 30% AMI and all of the units for those at or below 80% AMI or at or below the highest AMI recommended in the upcoming market analysis report. In addition, the City envisions a community or commercial use of the ground floor space in the project that will provide a benefit to the community. A few ideas for the ground floor space are included later in this RFP.

The City is demonstrating its commitment to affordable housing with this project and is looking for a partner who is equally committed and shares the City's vision of a project to enhance the neighborhood and set a tone for future affordable housing development in and around the City's downtown core. We invite creative and committed partners to submit a proposal and join the City of Kenmore as we work together to add affordable units in Kenmore and do our part to tackle our region's affordable housing crisis.

## I. INTRODUCTION

The City of Kenmore is pleased to announce the offering of a 22,222 sq. ft. parcel located at 6532 Bothell Way NE in Kenmore, WA, for construction of a mixed-use affordable housing development. The City Council has identified affordable housing as its [top priority for 2021-2022](#). The City would like to see proposals with a minimum of 10% of the units, and preferably closer to 20% of the units, designated for those at or below 30% of the AMI. In addition, the City's goal is for all units in the project to be affordable at varying levels up to 80% AMI or the highest AMI recommended in the upcoming market analysis report. It is anticipated that these

will all be rental units. As part of this priority focus on affordable units, the City is providing both land and funding for construction of the project. A Regional Coalition for Housing (ARCH) has also committed \$3 million for the project from the ARCH Trust Fund. Additional background on the City's support for this project may be found in these documents:

1. The [slide deck from 10/25/21 affordable housing update to the Kenmore City Council](#)
2. The [Agenda Bill on affordable housing from the Kenmore City Council's 11/15/21 meeting](#)

### Community Overview

The City of Kenmore is located on the northern shores of Lake Washington, in the north end of King County bordering Snohomish County. Kenmore is a relatively new city (incorporated in 1998) and covers 3,952 acres (6.2 square miles) of land. Local landmarks include Kenmore Air's seaplane headquarters on Lake Washington, Bastyr University, St. Edward State Park, and Inglewood Golf Club.

The 2021 population estimate for Kenmore is 24,642 with a median age of 41. Like most cities in the Puget Sound, it has been steadily growing for the past decade. Population has increased by 4,179 since 2010, reflecting an annual increase of 1.7%. Population is projected to increase by an additional 1,756 by 2026, reflecting a 1.4% annual population growth.

Kenmore had an estimated total of 3,977 jobs as of 2020. The largest employer is Bastyr University and the top three employment sectors in Kenmore are Manufacturing, Professional/Scientific/Technical Services, and Health Care/Social Assistance and Manufacturing. The average household income within Kenmore is \$148,132 with a median household income of \$116,734. Over the next five years, median household income is expected to increase by 19.4%, or \$4,536 per annum. A total of 60.0% of individuals over the age of 24 have a college degree, with 36.1% holding a bachelor's degree and 23.9% holding a graduate degree.

### Property Overview

The subject property has easy access to recreation opportunities such as the Burke Gilman Trail which traverses the City paralleling Bothell Way (SR-522). Several parks are also close to the property including the Town Square downtown park which includes the Hangar community building and the skate court at City Hall, both within one block of the property. Log Boom Park on Lake Washington and Rhododendron Park which includes the Kenmore Senior Center are also located nearby. Kenmore City Hall and Kenmore's branch of the King County Library System are within one block of the property.

The property is located in the heart of Kenmore's downtown and is surrounded by residential and commercial development as described in Section IV below. The City has invested in significant infrastructure projects close to the property including sidewalk, bikeway and roadway improvements on the City's main north-south route (Juanita Drive/68<sup>th</sup> Ave NE) and within downtown. In addition, the City has invested in sidewalk and bus lane improvements on the City's east-west route (Bothell Way NE).

The property is located approximately one block from a future Bus Rapid Transit Station, and is also accessible to major transportation routes and several major business centers including Seattle, Bellevue and Kirkland. The property is located one block from the closest bus stop and four blocks from a regional park and ride facility. The property fronts on the major east-west route through Kenmore, locally known as Bothell Way NE, or State Route 522 (SR-522), a major transit route and one of the most heavily travelled roads in King County. SR-522 with connections to Interstate 5 (I-5) at NE 145<sup>th</sup> Street, and also at Northgate Way and 80th Avenue NE, in Seattle, and with Interstate 405 (I-405) to the east in Bothell, continuing on to Monroe and intersecting with Highway 2.

## II. CITY GOALS AND PRIORITIES

The City recognizes the significant opportunity the parcel provides to create community benefit and a wide range of potential housing choices affordable to households with low incomes, including but not limited to:

- Permanent supportive housing for individuals, families and young adults.
- Housing for seniors with lower income and/or multigenerational households.
- Workforce housing for low wage workers.
- Rental housing for extremely low to moderate income households.
- A neighborhood community center, child care center, community health clinic or commercial space that will serve the needs of the community.

The City invites development proposals that embrace the City's philosophy to increase affordable housing specifically for residents at or below 30% of the Area Median Income (AMI). The City recognizes that providing housing units at this level of affordability presents unique funding challenges and will accept proposals that include rental units at higher income levels up to 80% AMI or the highest AMI recommended in the upcoming market analysis report. The desired development outcome is creation of an equitable, cost efficient and high-quality mixed-use building, including commercial space or community space that serves the public on the ground floor of the project is highly encouraged.

Specific City priorities include:

- At least 10% of the units, and preferably closer to 20% of the units, are designated for those at or below 30% AMI. Those proposals with a higher percentage of units designated for those at or below 30% AMI will be prioritized.
- All units in the project are designated as affordable to households earning at or below 80% AMI or the highest AMI recommended in the upcoming market analysis report.
- A cost-efficient proposal, which identifies potential funding sources and maximizes leverage of the financial contribution of more than \$5 million from the City and \$3 million from ARCH. At a minimum, proposals should leverage the initial cash investment from ARCH and the City with at least \$5 in other funds for every \$1 of local funding.

- A project that takes advantage of available flexibility in the Development Agreement process to maximize density and achieve quality, integrated community design that complements the neighboring community.
- Proposals with a ground floor commercial and/or community space that provides a public benefit (e.g. community center, child care center, health or wellness clinic, or other space that serves the residents of the project and the Kenmore community).
  - The City has had conversations with Bastyr University about the possibility of a partnership with Bastyr to provide a community health clinic/whole person care center, with care provided to all residents of Kenmore, regardless of income. Bastyr aims to help people resolve chronic health problems and to support healthier lifestyles that prevent illness. A range of possible services could be available to residents as well as to others in the community, including Primary Care Naturopathic medicine, Acupuncture and East Asian Medicine, Physical medicine, Nutrition, and Counseling.
  - The City has also discussed the possibility of a partnership with the YMCA to provide a child care center in the community space.
  - If a respondent is interested in learning more about these partnership ideas, or exploring the possibilities of including one of them in their proposal, please contact Stephanie Lucash at the City ([slucash@kenmorewa.gov](mailto:slucash@kenmorewa.gov)) and she will make the appropriate community connection(s).
- Proposals that address diversity, equity and inclusion. Kenmore is a high-cost housing market with historically limited racial and ethnic diversity compared with the broader region; according to Zillow.com, the typical value of a home in the middle price tier in Kenmore is \$960,721. One of the City's values is to be a welcoming community to all. As the City continues on its DEI journey, it is seeking opportunities to increase affordable housing and diversify its population to include residents of all races and incomes.

### III. PROPERTY HISTORY AND VALUATION

The subject property was acquired by the City of Kenmore from a private seller for \$750,000 in 2013. The property is no longer needed for its original purpose and is now vacant. The current appraised value of the property is \$1.89 million. It previously housed a Shell gas station. All required cleanup on the property related to its former use as a gas station has been completed. The Department of Ecology issued No Further Action (NFA) status on October 12, 2012. The NFA letter, Soil and Groundwater test report, Phase 1, Environmental Site Assessment, and the property appraisal may be found in the Appendix.

### IV. NEIGHBORHOOD INFORMATION

- A. Nearby Amenities. The subject property is located in downtown Kenmore adjacent to a King County Library System branch, and within a two-block radius of many businesses and amenities, including a Rite-Aid drug store, Ostrom Drug and Gift store, Safeway grocery store, U.S. Post Office, Evergreen Health Medical, Chase Bank branch, Lake Washington Physical Therapy, Kenmore City Hall, Kenmore Town Square, the Hangar community

gathering space which includes a Diva Espresso café, and several restaurants, small businesses and specialty stores. Kenmore Air, which is the largest air harbor in the 48 contiguous states, featuring regional and international destinations, is also located nearby.

- B. Schools. The subject property is located within the Northshore School District (NSD). The NSD services the educational needs for Kindergarten through 12<sup>th</sup> grade in Kenmore, Bothell and parts of Kirkland. The property is served by Kenmore Elementary School, Kenmore Middle School, and Inglemoor High School. The NSD has a strong reputation for providing high-quality education in the region. Kenmore is also home to Bastyr University, the nation's largest and most respected natural health medical university.
- C. Public Transit. The property is located roughly one block from a future Bus Rapid Transit station, which will provide high-capacity transit along Bothell Way NE and connect to the Shoreline Link light rail station in 2026. A number of Metro buses already travel along Bothell Way NE, aka State Route 522 (SR-522), the main thoroughfare through Kenmore. SR-522 provides connections with Interstate 5 (I-5) at NE 145<sup>th</sup> Street, Northgate Way and 80th Avenue NE, in Seattle, and with Interstate 405 (I-405) to the east in Bothell continuing on to Monroe and intersecting with Highway 2. Major road improvements were completed in three phases along SR-522 in recent years, adding sidewalks, bus lanes and improved safety by removing a 2-way turn lane. The property is located one block from the closest bus stop and four blocks from a regional park and ride facility.
- D. Parks and Open Space. Several parks are close to the property, including the Town Square downtown park and the skate court at City Hall which are both within one block of the property. Log Boom Park on Lake Washington and Rhododendron Park which includes the Kenmore Senior Center are also located nearby.

## V. PROJECT REQUIREMENTS

The following items will be required of all proposals. Projects that do not address these items will not be considered:

- A. Willingness to work with the City of Kenmore. Preparation of a site plan and supporting documentation in a timely manner that meets permit review requirements and requirements for submittal of funding requests. Basic site development issues such as access, infrastructure, sewer, water and other utilities must be coordinated with the City. A timeline for funding, permit approval and construction must be included in the proposal. In addition, a proposed public engagement process must be included in the proposal.
- B. Density Expectations. The goal of this project is to provide approximately 80-100 new residential units on the site.

- C. Development Agreement. The City anticipates that a Development Agreement between the developer and the City will be part of this proposal. A key goal is to provide the highest possible community benefits of this project; that may be best achieved by maximizing the number of units in the building, increasing the allowable height, and reducing on-site parking below what is required under current zoning. Zoning regulations, including parking, may be modified under the Development Agreement.
- Zoning. The site is zoned Downtown Commercial (DC), allowing a current maximum density of 72 units per acre and maximum height of 65 feet for mixed-use projects. Projects requesting modifications to allowed height or other zoning standards may be considered under a Development Agreement process.
  - Parking. The project will have parking requirements. The goal for the project is to provide enough parking to meet the needs of residents and the customers and employees utilizing the commercial or community space while also maximizing housing units and reducing parking space allotments where applicable or possible. Parking requirements will be negotiated as part of the Development Agreement.
- D. Ability to leverage the City and ARCH combined commitment. The City of Kenmore will commit \$5 million for the construction of a mixed-use project, and ARCH will provide up to \$3 million, for a total starting financial commitment of over \$8 million as detailed in Section IX. The developer must clearly identify other financing sources, including private and public funders, which will leverage the initial investment from ARCH and the City of at least a 1:5 ratio.

## VI. ADDITIONAL CRITERIA BY WHICH PROJECTS WILL BE EVALUATED

In addition to the project requirements stated above, project submittals will be evaluated based on the degree to which developers address the following items. The City reserves the right to reject any or all proposals and to accept any proposal that it judges to be in its best interest and/or best fulfilling its criteria.

The following items are listed in order of importance:

- A. Affordability of the Units. The City's priority is to provide housing on the property for very-low and low-income households. This translates to a desire for all of the units to be affordable and designated for those at or below 80% AMI or at or below the highest AMI recommended in the upcoming market analysis report, with at least 10 percent (and hopefully closer to 20%) of those units designated for those at or below 30% AMI. All of the units are expected to be rental units. A home is considered affordable if the total housing costs (i.e., rent or mortgage and any homeowner's association dues), including

utility allowance, does not exceed 30% of total household income for a presumed household size.

The King County/Seattle Metropolitan Statistical Area (MSA) Area Median Income (AMI) for 2021 is \$148,000 for a family of four. Appendix C contains a table indicating household income and rents/sale prices based on household size.

In evaluating proposals, affordability will be measured at several levels.

- The number of rental units affordable to households earning at or below 30% AMI.
- The number of rental units affordable to households earning at or below 60% AMI.
- The number of rental units affordable to households earning at or below 80% AMI or the highest AMI recommended in the upcoming market analysis report.
- The strength of the commitment the developer is willing to make to ensure long term affordability.
- The length of the term (duration) of affordability (A minimum 50-year affordability period is required, with proposals providing affordability in perpetuity preferred).

All units regardless of household AMI must have substantially the same quality of equipment and amenities and be comparable in size in terms of number of rooms, and square footage. The developer is expected to propose that 100% of the units be designated affordable at or below 80% AMI. Here is a link to the King County site with 2021 AMI figures: <https://kingcounty.gov/~media/depts/community-human-services/housing-homelessness-community-development/documents/asset-management/2021-IncomeRentLimits-Effective4-1-2021-Hm6-1-21.ashx?la=en>

The City of Kenmore, through its association with ARCH, will administer affordability monitoring and compliance requirements for affordable rental housing. The proposal must include a chart or other description of the total units, level of affordability, unit size, and population proposed to be served.

- B. Quality of Design and Integration of the Project with Surrounding Uses. High quality and creative design is required. Projects that demonstrate functional and visual compatibility and incorporate creative design elements are required. Please refer to the City's Downtown Design Standards attached in the Appendices for additional detail. Submittal of a conceptual site layout and/or preliminary design concepts is encouraged.
- C. Unit Mix. The City seeks projects which provide units for different household sizes. Projects will be evaluated based not only on the number of units proposed through each submittal, but also in the number of bedrooms, bathrooms and square footage of each

unit. Proposals that include a mix of studio, one, and two bedroom units are most preferred, however a proposal that includes specific type(s) of units or populations served (for example, a senior housing proposal that includes studio and one bedroom apartments) will also be considered.

- D. Focus on Rental Units. The city has a goal of encouraging affordable housing and adding as many affordable units as possible with this project including at least 10% and preferably closer to 20% of the units for those at or below 30% AMI. For this reason, this project is anticipated to only include rental units. This does not absolutely preclude a proposal with ownership units, but the project in our estimation lends itself to rental units only.
- E. Number of Units. The City desires projects that propose the greatest number of units, balanced with affordability, quality design, and diversity of unit sizes.
- F. Strength of the Development Team. Project submittals will be evaluated on the proven ability of the developer and team members (including the architect, general contractor, other contractors, and additional key personnel) to successfully develop high-quality, high-density housing developments in an urban setting. Experience successfully working to build affordable housing in King County will be a plus. Evidence of this ability shall be demonstrated by the success and quality of previous comparable developments including design, timely completion of projects within budget, and ongoing property management (for rentals).

Factors such as the team's record of performance on similar development projects including quality of work, industrial safety records, cooperation, responsiveness, labor force management, and other managerial considerations will be taken into account in reviewing proposals. Also to be considered is the organization of the project team, and its ability to work with other contractors/developers/consultants in partnership to design and develop the site. Submittals should demonstrate a sound approach for coordinating the site design with the City, including development and installation of infrastructure and utilities, and compatibility of other adjacent sites.

Other areas to be considered in evaluating the strength of the development team include the depth of experience of the team members and the use, if feasible, of Minority/Women Owned businesses as part of the development team.

- G. Soundness of the Financial Proposal. Projects will be evaluated on the capability of the development team to secure financing and resources necessary to complete the proposed project in a timely manner and within budget. This will include an evaluation of the developer's ability to guide this project through the state and county funding cycles as well as the Low Income Tax Credit process and a track record of bringing investors and lenders to the table to help finance this project.



Construction and operating budgets shall be submitted with all proposals that demonstrate the feasibility of the proposed financing package and construction budgets to complete the proposed development and achieve the affordability levels. Project submittals shall also include documentation that the necessary financing would be available for the development, construction, completion and management of the proposed project, or certification from the chief financial officer or an independent accountant for the developer stating that the developer and the development team have adequate financial resources and project equity to develop, construct, complete and manage the proposed project.

- H. Commercial or Community Space. The applicant’s willingness to include commercial or community space on the ground floor of the project should be addressed in the RFP. The City anticipates that conceptual designs for the commercial space will be coordinated with the housing to ensure appropriate links and combination of uses. Ideas that have been proposed to date are a Bastyr Community Health Clinic and a childcare facility, but all proposed community uses will be considered. There will be limited on-site parking required for the commercial space.
- I. Local Funding Assistance. The City and ARCH have already made a combined funding commitment of over \$8 million for this proposal, as described in Section IX. Therefore, financing proposals that rely upon additional City or ARCH financing are not encouraged. Projects are, however, encouraged to leverage City and ARCH sources with other public funding. For example, a proposal which relies on funding from the ARCH 2022 Housing Trust Fund would not be encouraged, but projects that rely on future funding from King County, Department of Commerce and 501(c)(3) non-profit tax-exempt bonds would be acceptable.
- J. Timeliness of Construction. Projects that will be ready to start construction immediately following permit approval by the City are preferred. Construction may be phased although, given the size and scope of the project, phasing is not anticipated. If the project is phased, the timing and sequence for each phase will be determined through negotiation, and specific timelines will be defined in the final purchase agreement. The project must be completed and ready for occupancy by the end of 2026, when all ARPA funds must be spent.
- K. Environmental Sustainability. Designs that incorporate environmentally sustainable materials and practices are highly encouraged. Creative ideas that fully utilize all of the spaces (including, for example, a green roof that incorporates public uses such as a garden and/or recreation space) are also encouraged.

## VII. RESPONSIBILITIES OF THE SELECTED DEVELOPER

The selected developer will be required to meet the following requirements. Other issues may be identified through the city’s permitting review process.

A. Submittal of all Required Development Review Applications and Obtaining all Required Permits and Approvals. At a minimum, it is expected that the project will require submittal of a Development Agreement application, SEPA checklist, utility applications, storm water reviews, clearing and grading permits, and building permits. The applicant shall also obtain any other permits required by the City, State or Federal Government.

B. City Development Standards. Redevelopment of the property shall comply with all applicable City of Kenmore zoning and development regulations, provided that some code deviations may be allowed through a negotiated development agreement. The Kenmore zoning and development regulations are available on the City's website, [www.Kenmorewa.gov](http://www.Kenmorewa.gov).

The zoning standards for the Downtown Commercial (DC) zone may be found in Section 18.25.040 KMC, which includes densities, setbacks, allowable height, and maximum impervious surface areas. The Kenmore Development Services web page can be found at this link: <https://www.kenmorewa.gov/government/departments/development-services>  
The Kenmore Municipal Code (KMC) can be found at this link:  
<https://www.codepublishing.com/WA/Kenmore/>

The development agreement regulations may be found in Section 18.110 KMC, which includes general provisions, flexibility, and processing procedures; [Chapter 18.110 development agreements \(codepublishing.com\)](#).

C. Installation of New Water and Sewer Lines. New water and sewer systems for the property must be provided by the developer and coordinated with the City. Utility design specifications and requirements shall be obtained by the developer from the Northshore Utility District (NUD). NUD's website is [www.nud.net](http://www.nud.net).

D. Other Utility Improvements. The selected developer will be responsible for all utility improvements on the property including, but not limited to electricity, cable, and natural gas (if applicable).

E. Stormwater Management. The selected developer will be required to install new stormwater systems on the property that comply with City requirements. At a minimum, stormwater facilities should be coordinated with the City. The property will need to provide water quality treatment measures. The developer (or their successors) agrees to construct and maintain a privately-owned system. The City will not assume ownership and maintenance responsibilities for underground stormwater facilities at this site. Conveyance, detention, or retention and water quality facilities will all need to be designed and constructed to meet current City of Kenmore requirements. Design Specifications and requirements can be found in the 2016 King County Surface Water Design Manual as amended by the City. A copy can be found on the City's website. [Codes & Resources | City of Kenmore Washington](#)

- F. Site Access. The developer is required to work directly with the City to develop coordinated site access and circulation plans.
- G. Washington State Environmental Policy Act (SEPA) Review. The selected developer will be required to prepare a checklist and any other required documents pursuant to the Washington State Environmental Policy Act (SEPA).

The developer will be responsible for complying with all necessary review and mitigation imposed under the SEPA provisions.

- H. Compliance with the City's Sensitive Areas Ordinance. There are no known sensitive areas on the property that will require special mitigation, buffers or setbacks given the intended use of the property.
- I. Indemnification. If the developer proposes to construct on-site improvements before the property is transferred from the City, the developer will be required to hold the City harmless and indemnify the City in the case of claims or financial loss relating to construction and development of the property. The developer will be required to insure against such losses or provide guarantees that the City will be held harmless.

## VIII. OTHER FINANCIAL CONSIDERATIONS

- A. Costs of Development, Permit Fees, Impact Fees, Utility Fees, etc. The selected developer will be responsible for all applicable development expenses and fees, including planning and building permit fees, impact fees, utility connection charges, consulting costs, improvement and construction costs, etc., associated with development of the project. It is the responsibility of the developer to confirm all applicable fees. The impact fees applicable to this site will include transportation, parks and schools. The City may provide exemptions for low-income housing and other development activities with broad public purposes. Exemptions for school impact fees under this subsection shall be approved by the Northshore School District.

## IX. CITY AND ARCH FINANCIAL COMMITMENTS

The City of Kenmore has committed significant financial resources to the project. The City will be donating the City-owned subject property, which was appraised at \$1.89 million in January 2022. In addition, the Kenmore City Council has allocated approximately half of its American Rescue Plan Act funds (approximately \$3.2 million) for the project. Finally, up to \$3 million has been reserved from the ARCH Trust Fund for the selected proposal, for a total initial investment of over \$8 million. The table below shows these financial commitments to the project to date:

<b>CITY OF KENMORE AND ARCH FUNDING COMMITMENTS</b>	<b>AMOUNT</b>
City of Kenmore - donation of subject property	\$1,890,000
City of Kenmore - American Rescue Plan Act funds	\$3,200,000
<i>City of Kenmore Total</i>	<i>\$5,090,000</i>
<i>A Regional Coalition for Housing (ARCH) Trust Fund</i>	<i>\$3,000,000</i>
<b>GRAND TOTAL OF INITIAL PUBLIC COMMITMENT</b>	<b>\$8,090,000</b>

## X. SELECTION PROCESS

- A. Schedule. The selection process is expected to be completed in approximately 90-120 days. This time period does not include negotiation of the Draft Agreement(s). The schedule for the selection is as follows:

<b>DATE</b>	<b>ACTION</b>
Week of February 28, 2022	City of Kenmore advertises the Request for Proposals.
March 8, 2022	Applicant's briefing session. <b><i>A briefing session for potential applicants will be held virtually on Microsoft Teams from 1-2pm on Tuesday, March 8, 2022.</i></b>
April 22, 2022	<b>RESPONSE TO RFP MUST BE RECEIVED BY THE CITY OF KENMORE CITY CLERK NO LATER THAN 5:00 P.M.</b>  Proposers are highly encouraged to submit their proposals by email. Emailed proposals must be received by the Kenmore City Clerk no later than 5pm on April 22, 2022 at <a href="mailto:bids@kenmorewa.gov">bids@kenmorewa.gov</a> .  Mailed, overnighted or messengered proposals must be received no later than 5pm on April 22, 2022 and sent to City of Kenmore, Attn: City Clerk, 18120 68th Ave. NE, Kenmore, WA 98028.  The City of Kenmore is committed to a program of equal employment opportunity regardless of race, color, creed, sex, age, nationality, disability, sexual orientation, or gender identity or expression. The City encourages submittals from firms that demonstrate the same commitment.  All questions regarding this project shall be submitted electronically to the Kenmore City Clerk at <a href="mailto:awarhol@kenmorewa.gov">awarhol@kenmorewa.gov</a> .
April 29, 2022	Select "short list" of finalists.
Week of May 2, 2022	City to schedule interviews with finalists.
May 13, 2022	Tentative selection of developer and proposal.
June 20, 2022	Present proposal and complete package to Kenmore City Council for approval
Week of June 27, 2022	Preparation of Draft Agreement(s) with Selected Partner.
September 2022	Submit project to State and County funding cycle
Spring or Summer 2023	Construction begins

- B. Applicant’s Briefing Session. Development teams are encouraged to work with the City of Kenmore’s main contacts on this RFP, Stephanie Lucash ([slucash@kenmorewa.gov](mailto:slucash@kenmorewa.gov)) and Bryan Hampson ([bhampson@kenmorewa.gov](mailto:bhampson@kenmorewa.gov)), as questions arise. **There will be an Applicant’s Briefing Session on the project held virtually via Microsoft Teams on Tuesday, March 8, 2022 from 1-2pm.** Any party considering submittal of a proposal should strongly consider attending this meeting. Following a brief introduction, City and ARCH representatives will be available to answer questions about the development requirements.
- C. Submittal of All Required Materials. Emailed proposals must be received no later than April 22, 2022 at 5pm by the Kenmore City Clerk at [bids@kenmorewa.gov](mailto:bids@kenmorewa.gov). Mailed, overnighted or messengered proposals must be received by 5pm on April 22, 2022 at City of Kenmore, Attn: City Clerk, 18120 68th Ave. NE, Kenmore, WA 98028.
- D. City Review of RFP Submittals. The City of Kenmore will conduct its own review and selection of a developer for this project and ensure that all phases of the project adequately respond to the design considerations and other objectives stated in this RFP, including the selection criteria listed in Section VI of this RFP. An Affordable Housing Working Group consisting of City staff and representatives from ARCH will serve as the review committee and will review all of the applications. The group will determine which applicant(s) will be invited to individual interviews to provide more detailed information on their proposals. Following interviews, the review committee will make a recommendation to the City Council. The City Council will have final authority over the selection of the successful proposal.
- E. Purchase and Sale Agreement and Development Agreement. After approval by the City Council, the selected applicant will work with City staff on drafting both a Purchase and Sale Agreement and a Development Agreement. The Agreements will include details such as development commitments and timelines for construction. The Development Agreement, which is authorized by RCW 36.70B.170, will be processed in accordance with Chapter 18.110 of the Kenmore Municipal Code. [Chapter 18.110 DEVELOPMENT AGREEMENTS \(codepublishing.com\)](#) The Development Agreement will include any need for deviations from current zoning to allow for additional density, reduce the number of required parking spaces, and/or any other considerations needed for the project. The Development Agreement will be processed concurrently with the building and engineering permit(s).

The applicant will be required to obtain the necessary approvals and permits to construct the proposed development in a timely manner. These approvals include (but may not be limited to):

1. Pre-application conference with City staff.

2. Submittal of building permit application and construction drawings for review and approval.
3. Submittal of a SEPA Checklist and any other required SEPA documents.
4. Submittal of engineering permit application and construction drawings for review and approval, including site access, frontage improvements, surface water design, and utility permit review.

As applicable, the above approvals may be processed concurrently with the Development Agreement.

## **XI. REQUIRED SUBMITTALS**

- A. Required Submittals. All proposals must include the following information. Incomplete submittals may be rejected as non-responsive. Please use a legible sized font (11 or 12 point size). Applicants are encouraged to use the Combined Funders Application (CFA) Excel forms for submission of information, including development and operating budgets, project schedule, unit affordability, LIHTC basis and self score, and development team information. If using the CFA forms, all tabs should be filled out other than forms 4 and 7B.

Interested developers or development teams shall submit one electronic copy of their proposal to the City of Kenmore City Clerk at [bids@kenmorewa.gov](mailto:bids@kenmorewa.gov). They should also submit one copy each of a completed and signed Form A and Form B as provided in Appendix A to [bids@kenmorewa.gov](mailto:bids@kenmorewa.gov). Budget forms shall be provided in Excel format.

The text of the submittal shall not exceed fifteen (15) pages in length, not including Form A, Form B, team qualifications, resumes, references, and other samples of development. The City of Kenmore reserves the right to request additional information following its review of the initial submission. In addition, the City may retain consultants to assist in the review of any aspects of the proposals.

Submit one original copy of the completed proposal to [bids@kenmorewa.gov](mailto:bids@kenmorewa.gov). Include a cover sheet on each copy naming the developer, including all known subconsultants and contractors proposed on the team. Each proposal shall contain the following:

1. Development Team Information. Identify the background and experience of all known team members, including the developer/owner and its lead staff person for this development, architect/designer, landscape architect, and if available, general contractor or builder, engineering consultants, property manager and lender. This information shall include a description of each team member's experience and qualifications in the development and construction of medium to high density urban housing projects, particularly projects of a similar size and density proposed for this development site. Include any experience with

public/private partnerships and mixed-use projects. In addition, the proposal should provide a description of the applicant's financial position and recent track record securing financing for similar projects (see CFA forms 9A, 9B, 9C, and 9E).

2. Project Description. Please provide a general description of the project, including: addressing factors such as:

- A description of how the proposal responds to the development program and other goals and objectives stated in this RFP, including consistency with the income targets identified by the City.
- Overall vision and description of the affordable housing, including unit mix and affordability, and special population focus, if any.
- Overall vision and description of the nonresidential space.
- Estimated building square footage (see CFA Form 2B).
- Proposed program and coordination with other key project partners (if any).
- Design approach, including open space and parking integration and the project's connections with the broader Downtown Community.
- Description of anticipated development standards or other provisions that would be sought in a Development Agreement, such as parking ratios and maximum density.

3. Project Development Budget and Schedule and Operating Pro-forma.

Estimate of Total Project Development Costs and a Financing Plan for the Proposed Project. Proposals must contain a preliminary development budget that includes all expected costs associated with the site and building development, including design, infrastructure, building construction, permits, marketing, financing, developer fee, contingency, etc. The proposal should also explain the basis/key assumptions for estimating project costs. If Low Income Housing Tax Credits are proposed, applicants should provide a LIHTC calculation and self-score. Proposed financing should include key terms for any bridge/construction and permanent financing, and the basis for such terms. (See CFA Forms 6A, 6B, 6C, 6D, 6E, 7A, and 10)

- b. Affordability. Proposals shall include a description of the types and size of units and their projected rents, and the expected income level the units will be affordable. Describe the rent or sales structure and levels of affordability that will be achieved, and any anticipated subsidies for the operations, rents or services (see CFA Forms 8C, 8D, and 8E).

- c. Operating Pro-Forma. Proposals shall include estimated operating income, expenses and cash flow for each of the first fifteen (15) years of operation. (See CFA Forms 8C, 8D, and 8E)
  - d. Project Schedule. Proposal shall include a schedule of key milestones to implement the project, and the approximate dates by which they will be accomplished. (See CFA Form 5)
  - e. Management Plan. For projects intended for rental, describe the proposed property management of the development upon completion and occupancy. Identify who will manage the units and include their experience in property management.
  - f. Marketing Plan. Describe the anticipated process for marketing the units for sale or rent.
5. Preliminary project designs. The following design documents are required with the submittal. The City may entertain a request to waive some of these submittals, if the cost of the preliminary design present a significant barrier to an applicant.
- a. Schematic site plans. Plans shall show all proposed building locations; automobile and pedestrian access and circulation; parking; landscaping (including preservation of existing trees); sewer and water utility mains; and stormwater facilities. Access and utility mains should be shown on portions of the property.
  - b. Typical building elevations showing materials.
  - c. Typical floor plans of each floor and unit type being proposed. Each plan shall include square footage calculations for each unit type shown.
  - d. Photographs of existing buildings that illustrate the architectural style intended by the developer for this site may be included.
  - e. Those applicants who are invited for an in-person interview may bring color presentations that illustrate their proposed development to the interview.

## **XII. OTHER REQUIREMENTS AND INFORMATION**

- A. All facts and opinions stated within this RFP, and all supporting documents and data are based on information available from a variety of sources. No representation or warranty is made with respect thereto.



- B. The City of Kenmore reserves the right to modify the selection process or other aspects of this development offering at its sole discretion. All persons who have received the RFP from the City will be notified of modifications, as applicable.
- C. The City of Kenmore reserves the right to accept proposals, even if the applicant has not submitted all information in response to this Request for Proposals. The City also reserves the right to reject all submittals in response to this RFP without cause.
- D. At any time before the time and date set for submittal of proposals, a developer may withdraw or modify their proposal. Such a request for modification or withdrawal shall be made in writing by the person authorized to sign the proposal as set forth in the Identifying Information described in Form A.
- E. In the event that it becomes necessary to revise any part of the RFP, addenda will be posted on the City of Kenmore’s web page dedicated to this project. It is the responsibility of the respondents to regularly check the web page for updates. That page can be found at this link: <http://www.kenmorewa.gov/government/affordable-housing>

When, either before or after receipt of proposals, the City changes, revises, increases, or otherwise modifies its requirements, the City shall issue a written addendum to the RFP and post it on the web page as indicated above. In considering which persons to notify of any such change, the City will consider the state in the RFP process at which the change occurs and the magnitude of the change as follows:

- 1. If proposals are not yet due, the addendum will be posted on the web page. As noted above, it is the responsibility of the respondents to check the page regularly for updates.
  - 2. If the deadline for submittals has passed, but the proposals have not yet been evaluated, the addendum will be sent only to those persons/firms that have responded to the RFP.
  - 3. If the proposals have been evaluated and classified, only those proposals identified as being within the competitive range will be sent the addendum.
  - 4. If a change is so substantial that it warrants substantial revision to the RFP, the City may cancel the original RFP and issue a new one, regardless of the state of the RFP process.
- F. The City of Kenmore reserves the right to cancel the RFP or extend the date and time for submitting proposals. Such determination by the City will be given by Addendum and posted on the City’s web page as noted above. Notice will also be emailed to all persons who attended the Applicant Briefing.

- G. In the event that only one proposal is received, the City of Kenmore reserves the right to conduct an analysis and evaluation of such proposal. The submitter of such proposal shall provide such information, data and other documentation as deemed necessary by the City for analysis. The City reserves the right to reject the proposal, with or without evaluation and analysis.
- H. At any time following its initial review of all submittals, the City may request revisions of any of the proposals to make a “last best offer” in order to most closely meet the City’s goals and requirements for the redevelopment of this property.
- I. In the interest of a fair and equitable selection process, the City retains the sole responsibility to determine the timing, arrangement, and method of proposal presentations throughout the developer selection process. Development teams are cautioned not to undertake any activities or actions to promote or advertise their proposal except in the course of City authorized presentations. Other than discussions with City staff, which are encouraged, developers and their representatives are not permitted to make any direct or indirect (through others) contact with members of the City of Kenmore City Council, Planning Commission, or selection committee (with the exception of City staff and ARCH representatives) concerning their proposal, except in the course of a City sponsored presentation. Violation of these rules may be grounds for disqualification from the selection process.
- J. The developer is encouraged, but not required, to use Minority, Women, and Emerging Small Business Enterprises.
- K. There will be no real estate commission paid by the City for the sale of this property.

### **XIII. LIST OF CONTACT PERSONS**

City of Kenmore Project Leads:

Stephanie Lucash, [slucash@kenmorewa.gov](mailto:slucash@kenmorewa.gov)

Bryan Hampson, [bhampson@kenmorewa.gov](mailto:bhampson@kenmorewa.gov)

Water and Sewer Utilities:

Northshore Utility District [www.NUD.net](http://www.NUD.net)

Aparna Khanal, [akhanal@nud.net](mailto:akhanal@nud.net)

Stormwater Facilities:

<https://www.kenmorewa.gov/government/departments/development-services/codes-resources>

City of Kenmore

Thomas Joachimides, [tjoachimides@kenmorewa.gov](mailto:tjoachimides@kenmorewa.gov)

Street Standards, 2021 Kenmore Road Standards:

<https://www.kenmorewa.gov/government/departments/development-services/codes-resources>

City of Kenmore  
Thomas Joachimides, [tjoachimides@kenmorewa.gov](mailto:tjoachimides@kenmorewa.gov)

Concurrency Review:  
City of Kenmore  
Thomas Joachimides, [tjoachimides@kenmorewa.gov](mailto:tjoachimides@kenmorewa.gov)

Fire Department Access Requirements:  
Northshore Fire District  
Derek LaFontaine, [dlafontaine@shorelinefire.com](mailto:dlafontaine@shorelinefire.com)

ARCH Housing Trust Fund Manager:  
Elsa Kings, [ekings@bellevuewa.gov](mailto:ekings@bellevuewa.gov)

ARCH Executive Director:  
Lindsay Masters, [lmasters@bellevuewa.gov](mailto:lmasters@bellevuewa.gov)

#### **XIV. LIST OF ATTACHMENTS**

**Appendix A: Forms**

A-1. Combined Funders Application (CFA) Forms

**Appendix B: 2021 ARCH Income and Rent Guidelines and Rental Costs (based on the King County/Seattle MSA Median Income), and Affordable Sales Prices (for ownership projects)**

**Appendix C: Permit, Impact, and Utility Fee Schedules**

#### **XV. LIST OF OTHER AVAILABLE REPORTS AND INFORMATION**

The following reports and information will be made available upon request to interested developers or development teams.

- Appraisal
- Environmental reports
- Title report
- Market analysis report
- Geotechnical report
- Survey

The City's Road Standards can be found at this link:  
[2021 ROAD Standards \(kenmorewa.gov\)](#)

The City's Codes and Resources can be found at this link:

<https://www.kenmorewa.gov/government/departments/development-services/codes-resources>

The City's Comprehensive Plan can be found at this link:

<https://www.kenmorewa.gov/home/showpublisheddocument/1539/637469151985830000>