



CITY OF  
LEAVENWORTH, WA

# REQUEST FOR PROPOSALS (RFP) OWNER OCCUPIED WORKFORCE HOUSING

**DUE DATE:**

July 30, 2021 - 5:00 PM

**AVAILABLE FUNDING**

FY 2021: \$ 200,000

FY 2022: \$ 200,000

**CITY OF LEAVENWORTH**

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## OVERVIEW

The City of Leavenworth seeks one or more proposals to produce model new workforce and affordable housing units for purchase. Available City funds are \$200,000 in 2021 and \$200,000 in 2022 for a total of \$400,000 under this RFP. The overall goal for this funding is to demonstrate the ability to build workforce and affordable housing units for purchase and thereby to increase ownership of workforce housing.

Eligible projects must directly support creation of new affordable workforce housing units to be purchased by eligible individuals and families.

Projects/activities may include but are not limited to:

New construction or redevelopment including remodels and conversions for new units.

# About Leavenworth, Washington

The City of Leavenworth (population 2,080) is located on the eastern slopes of the Cascade Mountain Range in the upper reaches of the Wenatchee River Valley in Chelan County, Washington. Leavenworth is 118 miles east of Seattle and 22 miles northwest of Wenatchee on U.S. Highway 2. Housing affordability in Leavenworth is shaped by the local tourism economy and the desirability for second homes as well as the needs of the local residents and workforce. Although tourism and recreation are important to the economic sustainability of the area, the external pressures it places on the local housing market results in upward rents and housing prices.

The City of Leavenworth has studied the community's housing needs for several years. A Housing Task Force was established in 2016 and a Housing Needs Assessment was conducted in 2017.

In 2021, the City completed a Housing Action Plan (HAP) which outlined specific recommendations based on the identified housing needs to facilitate housing choices. The Housing Action Plan concluded, in part, that the City needs to increase the variety of housing types at prices which meet a greater range of income levels. This RFP seeks proposals to demonstrate the feasibility of building and selling such housing types.

# City of Leavenworth Housing Objectives

Parties responding to this RFP are encouraged to review the City’s Housing Action Plan and Cascade Medical Center’s Community Health Needs Assessment since each are integral to this RFP’s objectives.

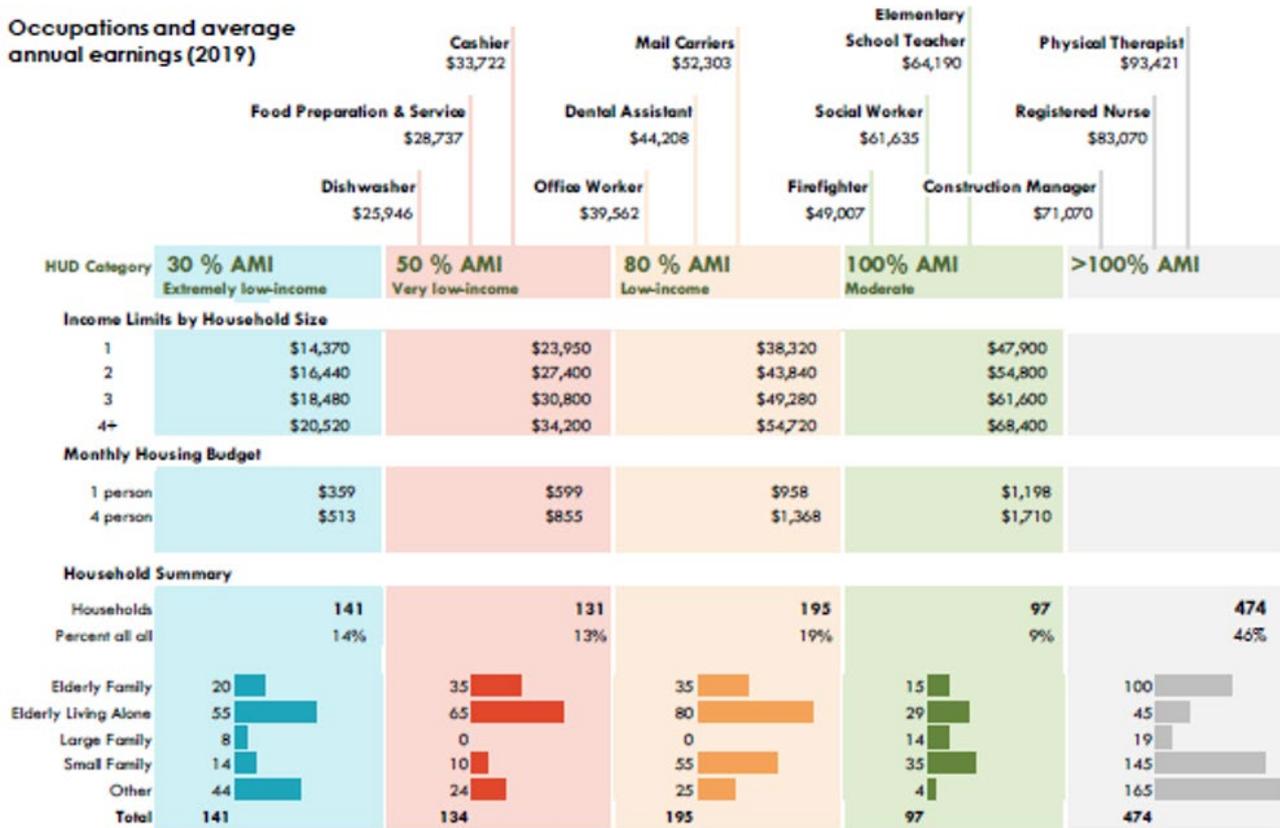
The Community Needs Assessment indicates that affordable housing is often the single largest expenses for a family and that such cost burden forces a household to forgo other essential services such as health care. This document can be found [here](#).

The Housing Action Plan lists four objectives. Objective #2 is the target for this RFP:

1. Increase housing production and more housing supply. While population and housing stock have been stable, job creation has increased resulting in more workers commuting to Leavenworth.
2. **Increase homeownership opportunity. Housing prices have risen 73% since 2010, significantly higher than the 18% increase in income over the same period, making homeownership increasingly out of reach for many. The Housing Action Plan notes that more diverse ownership options at lower prices would address the need for more homeownership opportunities for moderate income households, 80% and above AMI.**
3. Increase long term rental housing available to lower-income workers and residents. About 27% of Leavenworth’s households rent their homes and earn low- incomes, defined as less than 80% of the area median income. The needs assessment finds an undersupply of rentals affordable to lower income households
4. Increase aging in place housing. Many of the community’s low-income households include persons age 62 or older. Opportunities for older adults to downsize frees up existing housing for other long- term residents. However, many of the condominiums, smaller housing units, are located in the commercial areas of town and are used as vacation rentals. Additional housing suitable for older adults in the residential areas is needed.

The HAP provides a wealth of information on the household demographics, some of which is highlighted below.

Exhibit 11. Income Categories relative to Area Median Income, Chelan County, 2019



Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics (2018); HUD CHAS (based on ACS 2012-2016 5-year estimates); Washington State Housing Finance Commission (2020)

## TARGET POPULATION

The city defines affordable housing as “residential housing that is rented or owned by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed 30 percent of the household’s monthly income...low-income owner households are defined as households with incomes of 80 percent or less of the county median family income, adjusted for family size.” **The model projects sought here should target workforce ownership population at 80% - 120% of AMI.**

## MODERATE INCOME HOUSEHOLDS (80% TO 100% OF AMI)

Moderate income households earn between 80% and 100% of AMI and include households that provide many of the critical community services (schoolteachers, social workers, firefighters). Many housing programs directed at “workforce housing” target this income category.

The housing budget at this income range is between \$1,198 and \$1,710 per month. This income is served by the low-end of market-rate housing, provided the household does not have a special housing need. About 9% of Leavenworth’s households fall into this category. Proportionately more of these households include larger families (14%) than the other income groups.

## ABOVE 100% AMI

Slightly less than half of Leavenworth’s households (46%) have incomes greater than the county median income. Under normal market conditions and foregoing any special housing need, households in this income category are typically served by the private market.

Evidence of capacity to provide Affordable Housing to families and individuals between 80-120% of AMI is required.

# Applying for City Funds

Eligible applicants may be:

- 501(c)(3) non-profit or private housing development organizations
- Licensed private developer/builders
- Community Land Trusts
- Equity Funds
- Philanthropy
- Collaboratives that demonstrate capacity to advertise housing opportunities, educate buyers and manage eligibility.

## Application Review & Selection Process

Send submittals electronically to Lilith Vespier, Development Services Manager at [dsmanager@cityofleavenworth.com](mailto:dsmanager@cityofleavenworth.com). City staff will review applications to ensure they are complete and responsive to the RFP. Incomplete submittals will not be reviewed.

If deemed complete, staff will prepare an analysis for each proposal. The complete application and staff analysis will be provided to the City Council Housing Committee which will hold interviews with selected firms during a regularly scheduled Housing Committee meeting. During the interview firms will present their proposal and answer questions from the Committee and Mayor.

Following interviews and deliberations, the Housing Committee will make recommendations to City Council. The City Council is the final decision maker on funding allocations.

# Proposal Requirements

Each applicant shall provide the following items:

## HOUSING NEEDS AND PRIORITIES

Documentation of what level of Affordable Housing will be provided (target AMI), including analysis of how the AMI is defined and determined. Each proposal will provide a narrative and supporting analysis demonstrating how it fulfills the Housing Action Plan and the CMC Community Health Needs Assessment.

(limit: 2 pages)

## RETENTION OF AFFORDABILITY

A narrative of the strategy for retaining affordability retention period and documentation of the proposed period of affordability. A market analysis showing targeted buyers and willingness to abide the retention period should be included.

(limit: 2 pages)

## COLLABORATION AND FINANCES

Documentation of project partners and of financing or capital for the project. A minimum of two years of income statements must be supplied together with a balance sheet for each project partner. (limit: 4 pages)

## PROJECT READINESS AND MANAGEMENT

Provide documentation of site control (ownership or agreements to lease or purchase the site property). (limit: 2 pages)

## PROVIDE PROJECT PLANS.

Provide a complete application for the project of document how the project will meet the City regulations, (zoning and development regulations) and the Comprehensive Plan.

Depending on how affordability will be retained provide documentation of ongoing project management. (limit: 8 pages)

## COMMUNITY IMPACT (UNITS)

List the number of units proposed and the requested funding amount.

If the project is for a special needs population or families provide a narrative for support services and key linkages. (limit: 2 pages)

## EVALUATION CRITERIA

The Housing Committee and Mayor's Office staff will evaluate proposal on the criteria below. The highest rated proposal, if all criteria are satisfied, will receive a score of 100 points. Final selection and the amount of award will be made by the City Council.

		Maximum Points
1. Target Populations		
Greatest number of units	10	
80% -120% AMI	5	
Resident children	5	
Character of need and services	5	
<b>TOTAL POINTS AVAILABLE UNDER CRITERIUM 1</b>		<b>25</b>
2. Retention		
Terms of Occupancy	5	
Method of Eligibility	5	
Property Common Area Maintenance Plan	5	
Duration of Project Affordability covenant	10	
<b>TOTAL POINTS AVAILABLE UNDER CRITERIUM 2</b>		<b>25</b>
3. Financial and Community Assessment		
Amount and proposed source of private funds	3	
Funding approval	3	
Investor capital and unrestricted donations	3	
Total cost, cost per unit, cost per square foot	3	
Work Equity or down payment	3	
<b>TOTAL POINTS AVAILABLE UNDER CRITERIUM 3</b>		<b>15</b>
4. Readiness		
Property (land and/or structure) owned or under contract	4	
Under contract to build	2	
Projected date for Certificate of Occupancy	4	
<b>TOTAL POINTS AVAILABLE UNDER CRITERIUM 4</b>		<b>10</b>
5. Applicant		
Experience to construct project	2	
Experience of finance project	2	
Experience to manage project	2	
Experience to maintain project	2	
Quality of Management and Maintenance Plans	2	
<b>TOTAL POINTS AVAILABE UNDER CRITERIUM 5</b>		<b>10</b>
6. Impact		
Access to transit, services and jobs	6	
Projects not concentrated in one location	3	
Multi story or unit, zero lot line, other	3	
HOA and or community amenities	3	
<b>TOTAL POINTS AVAILABLE UNDER CRITERIUM 6</b>		<b>15</b>
<b>TOTAL POINTS AVAILABLE UNDER ALL CRITERIA</b>		<b>100</b>

# Evaluation Criteria

## FUND AVAILABILITY

All funding is based upon the current city budget. If the budget is changed, no awards may be made. The City reserves the right to make NO awards under this Request for Proposals. City assumes no liability to proponents, awardees, their contractors, or agents that funds will be available.

## FUND RECOVERY

In the event awarded funds are not used in a project the funds will be recovered and returned to the City.

## 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.

## DISCLAIMERS AND DISCLOSURE

This RFP is not a commitment or contract. The City of Leavenworth 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 funds. 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.