



# The City of Othello

500 East Main Street OTHELLO, WASHINGTON 99344 Telephone (509) 488-5686

## **REQUEST FOR PROPOSALS OTHELLO HOUSING ACTION PLAN IMPLEMENTATION MULTI FAMILY TAX EXEMPTION (MFTE)**

The City of Othello is soliciting proposals from qualified consulting firms to implement a portion of an adopted Housing Action Plan by exploring adopting a multifamily tax exemption program.

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### **CITY & PROJECT BACKGROUND**

Othello is a growing city of 8,725 anticipating additional residential, commercial, and industrial development in the coming years. Agriculture comprises the backbone of the economy, in the form of several large food processing facilities. Othello is also a regional center, as the largest city between Moses Lake and the Tri-Cities going north-south, and Yakima and Pullman going east-west. The population is about 80% Hispanic. City outreach materials such as newsletters are typically provided in English and Spanish in order to be available to most residents.

Housing availability and affordability have been concerns in Othello for some time. As the population grows and new employment opportunities become available, such as the recent addition by a local food processor of a new line with 180 new jobs, the existing housing stock isn't sufficient, and local developers and home builders can't keep pace. As a result, homes (rental or owned) are difficult to find and out of reach of many families, so there is significant crowding in existing units. There are essentially no vacant lots in existing neighborhoods, and concerns about changing the character of existing neighborhoods by allowing higher-density development. In addition, there is very little vacant residential land remaining inside city limits.

To start to address these issues, the City received a grant from the Washington State Department of Commerce that was used to create a [Housing Action Plan](#) which was adopted in June 2021. Othello has now received a \$25,000 grant from Commerce to start implementing strategies the Housing Action Plan. The proposal in the grant application was to explore the use of the Multifamily Tax Exemption (MFTE) program for increasing the supply and affordability of housing. The grant application and contract with Commerce are available on request.

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### **CONTRACT SCOPE OF WORK**

The overall goal of the contract is to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes. The scope of work for this contract includes the following three actions, associated steps, and deliverables:

*Grant Objective: Explore the use of a Multifamily Tax Exemption (MFTE) program to increase the supply and affordability of housing in Othello.*

<b>Steps/ Deliverables</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>
<b>Action 1</b>	<b>Study where in Othello MFTE makes sense and determine any zoning changes needed</b>	<b>July 2022</b>	<b>Aug 2022</b>
Step 1.1	Review existing conditions and current zoning and evaluate opportunities to create MFTE areas and any code changes needed	July 2022	Aug 2022
Step 1.2	Conduct community outreach to develop support and get feedback on proposed MFTE areas and code changes	July 2022	Aug 2022
<b>Deliverable 1</b>	<b>Report of proposed MFTE location(s), costs and benefits, and identification of the code changes needed</b>		Aug 31, 2022
<b>Action 2</b>	<b>Creation of draft MFTE program and ordinance</b>	<b>Sept 2022</b>	<b>Oct 2022</b>
Step 2.1	Conduct a work session with the Planning Commission on opportunities	Aug 2022	Aug 2022
Step 2.2	Develop recommendations and present to Planning Commission	Sept 2022	Sept 2022
Step 2.3	SEPA checklist, prepare notices, distribute information	Sept 2022	Oct 2022
Step 2.4	Present work so far to City Council	Oct 2022	Oct 2022
<b>Deliverable 2</b>	<b>Draft MFTE ordinance and map</b>		Oct 31, 2022
<b>Action 3</b>	<b>Prepare MFTE ordinance and map for adoption</b>	<b>Oct 2022</b>	<b>May 2023</b>
Step 3.1	Planning Commission Public Hearing	Nov 2022	Nov 2022
Step 3.2	Update draft with input from Planning Commission public hearing, present revised proposal to Commission	Dec 2022	Dec 2022
Step 3.3	Present to City Council	Jan 2023	Jan 2023

Step 3.4	Update draft with input from City Council	Feb 2023	Mar 2023
Step 3.5	Prepare notices, distribute information, and conduct public hearing	Mar 2023	Apr 2023
Step 3.6	Update draft with input from City Council public hearing	Apr 2023	May 2023
Step 3.7	Present to Council for adoption	May 2023	May 2023
<b>Deliverable 3</b>	<b>Fully-reviewed MFTE ordinance and map, ready for adoption</b>		<b>June 15, 2023</b>

The bulk of the work for the selected consultant will be in research, analysis, public outreach, and development of code language and maps. Staff can do the SEPA review, notifications, staff reports/agenda memos, office tasks, and translation of relevant documents into Spanish.

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## CONTRACT BUDGET AND FUND SOURCES

A maximum of \$25,000 is available for this contract for all consultant costs including fees, materials, travel, and any other expenses. The source of funding is a \$25,000 grant to the City from the Washington State Department of Commerce. Any contract entered into as a result of this invitation is contingent upon the continued funding of the grant by the Department of Commerce.

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## ANTICIPATED SCHEDULE

The anticipated proposal and contract schedule, subject to change, is:

Action	Date
Deadline for submittal of proposals	July 6, 2022 at 5:00 PM
City Council approval	July 11, 2022

By the terms of the grant, the final deliverable is required to be provided by June 15, 2023.

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## SUMMITTAL REQUIREMENTS

Please submit one copy of the proposal by 5:00 PM on July 6. Proposals may be hard copy or electronic:

1. Hard copy should be mailed or hand delivered to the City of Othello, ATTN: Anne Henning, 500 E. Main Street, Othello, WA 99344.
2. Electronic should be emailed to Anne Henning, Community Development Director, at [ahenning@othellowa.gov](mailto:ahenning@othellowa.gov).

## TERMS AND CONDITIONS

Minority- and women-owned firms are encouraged to submit proposals. The City of Othello is an equal opportunity and affirmative action employer.

The City of Othello reserves the right to reject any and all proposals and to waive irregularities and informalities in the submittal and evaluation process. This solicitation for consultant services does not obligate the City of Othello to pay any costs incurred by respondents in the preparation and submission of a proposal. This solicitation does not obligate the City of Othello to accept or contract for any expressed or implied services. Furthermore, the City of Othello reserves the right to award the contract to another proposer and/or solicit proposals for additional consultants if negotiations with the initially-selected consultant fail to produce a contract.