

Yakima County Department of Human Services



Yakima County Human Services Multi-Family Housing Request for Proposal

August 11, 2025

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Section 1. RFP Overview

1.1 Introduction

Yakima County seeks applications from developers to develop affordable rental housing for Low-Income households. The County is making available 1406 and 2060 funds to help leverage Washington State and other funding to produce affordable rental units. Funds must be used for the acquisition, construction and/or rehabilitation of rental housing within Yakima County.

This Request for Proposal (RFP) is competitive and open to any legally constituted entities that meet the eligibility requirements specified in this RFP.

1.2 Available Funding

This RFP makes the following funding available to produce affordable multi-family rental housing:

1406 Funds: Up to \$620,000

2060 Funds: Up to \$300,000

Total Funds: Up to \$920,000

Priority will be given to projects that have received, or who are applying for the Washington State Department of Commerce's 2025 multi-family funding round and the Washington State Housing Finance Commission Low-Income Housing Tax Credit (LIHTC) Program 2025 funding rounds. Yakima County will notify Washington State's Department of Commerce regarding each applicant's application and subsequent conditional awards of this RFP's funds.

The County may award one or both sources of funding to one or more projects that meet the requirements of this RFP. The County also reserves the right to not provide funding to any of the projects submitted and make the funds available through a future RFP.

If awarded, the funding will be provided as deferred or non-mandatory cash flow loans, the terms of which will be determined in underwriting, and subject to deed restrictions on the assisted property for an affordability period or compliance period of up to 20 years depending on the project and source of funds.

1.3 RFP Timeline

Yakima County reserves the right to change any dates in the RFP timeline. **Applications submitted after the initial submittal deadline will be considered in chronological order as they are received until available funds are exhausted.**

Event	Date
RFP Release	August 11, 2025
Information Session	August 27, 2025 @ 10 AM PDT
Last Day to Submit Questions to Be Answered Before Initial Deadline	October 5, 2025
Initial Proposal Deadline	October 17, 2025 @ 3 PM PDT
HOME Board Review of Scores and Decision-Making	November 7, 2025

1.4 Technical Assistance

Information Sessions are optional, free, and open to any interested proposers. Proposers are not required to attend the information session to apply. Click one of the links below to register. You may contact Yakima County at HOME@co.yakima.wa.us if you have any issues registering.

Information Session
Date: August 27, 2025
Time: 10 AM PDT
Location: Online – Register Here

Additional technical assistance can be requested directly from County Staff. To schedule an appointment, contact Yakima County at HOME@co.yakima.wa.us, or (509) 574-1363. Technical assistance can be provided via email, by phone, or in-person, and will be scheduled on a first-come, first-serve basis. Applicants are strongly encouraged to schedule appointments for technical assistance as early as possible, to ensure the availability of staff time.

Unauthorized contact regarding this RFP with County employees outside of the Human Services Department intended to circumvent the appropriate communication channels may result in disqualification. Any oral communication not documented in writing will be considered unofficial and non-binding on behalf of the County. Any questions answered in writing will be posted on the County's website at: <https://www.yakimacounty.us/1423/HOME-Consortium>. It is the responsibility of bidders to check the website for any amendments or Q&As related to this RFP.

1.5 Proposal Selection Process

The Yakima County HOME Consortium Board will score each submitted proposal. The HOME Consortium Board will then determine which proposals will be awarded funds – a decision which will then be ratified by the Yakima County Board of County Commissioners. Conditional Award letters will be sent to successful proposers upon the Board of County Commissioners' approval. The award letter will indicate information on how to proceed with the HUD Environmental Review if it is not already complete at the time of application. The Environmental Review must be completed and approved before a contract is executed. No funds will be dispersed prior to the execution of an Agreement with Yakima County.

Any agency recommended for funding will undergo a thorough administrative review prior to contracting. Agencies will need to provide various policies and financial and insurance documentation to assure compliance with Yakima County, Washington State, and HUD requirements as part of Yakima County's underwriting and feasibility analysis.

Section 2. Program Requirements

The following provides a summary of the main requirements and restrictions of this RFP.

2.1 Occupancy and Rent Requirements

1. Occupancy – All assisted units must be occupied by Very Low-Income households at or below 50% of Area Median Income (AMI) as defined by HUD. HUD posts Income limits annually at: <https://www.huduser.gov/portal/datasets/il.html>. All units not assisted with 1406 and 2060 funds are not subject to occupancy restrictions or rent limits.
2. Rent Limits – Rent limits apply for the period of affordability, and rents must be approved annually by Yakima County. Rent plus the utility allowance must not be greater than 30% of a household's income.
3. Period of Affordability – The period of affordability will be 20 years. This includes both new construction and acquisition/rehabilitation of existing housing.
4. Minimum Per-Unit Subsidy – the minimum funding per unit is \$40,000.

2.2 Project Requirements

2.2.1 Eligible Activities

In general, 1406 and 2060 funds may be used to acquire, rehabilitate, or construct affordable rental housing meeting the applicable occupancy and rent restrictions noted above.

Proposers may propose mixed-use and/or mixed-income housing projects. However, these funds may only be used for the eligible costs of units that meet the applicable 1406 and 2060 requirements – hereafter referred to as “assisted units.”

Emergency shelters, hotels, and motels (including those currently operating as non-congregate shelter), facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories do not constitute housing for this RFP.

2.2.2 Prohibited Activities

In general, 1406 and 2060 funds cannot be used to:

- Provide project reserve accounts for replacements and unanticipated increases in operating costs, or operating subsidies for rental housing
- Costs for luxury improvements or improvements
 - Payment of any deposits, working capital or operating costs.
 - Off-site infrastructure, except for necessary connections to offsite utilities for the assisted unit.
 - Refinancing or payment of other debt.
 - Costs of non-residential space (community rooms, commercial or civic spaces, etc.) in a project.
 - Delinquent taxes, fees, or charges on properties to be assisted.

While these funds may not be used to pay the ineligible costs listed above, they may be included in the development budget and paid with other funds to the extent they are necessary for the completion and viability of the project.

2.2.3 Eligible Costs

1406 and 2060 funds may be used to pay the following eligible project costs allocable to the assisted housing units:

- Development hard costs - Costs to support applicable new construction or rehabilitation standards. For both new construction and rehabilitation, the cost of demolition, utility connections, and site improvements are also eligible.
- Acquisition of property - Costs of acquiring improved or unimproved real property.
- Related soft costs - Other reasonable and necessary costs incurred by the owner or participating jurisdiction associated with the financing and/or development of new construction, rehabilitation, or acquisition. Soft costs may include architectural fees, engineering fees, builders' and developers' fees, financing fees, credit reports, title insurance, recordation fees, legal and accounting fees, including cost certifications, appraisals, environmental reviews, project audit costs, staff and overhead costs directly related to carrying out a project, and impact fees, as long as they are part of the project.
- Developer Fee – For new construction, the maximum developer fee is 15% of total development costs. For acquisition/rehabilitation, the maximum developer fee is 10% of the acquisition costs and 15% of the rehabilitation costs.
- Relocation Costs - Costs of relocation payments and other costs for permanent or temporary relocation, including staff and overhead, replacement housing, moving costs, and out-of-pocket expenses.

2.2.4 Project Requirements

All projects are subject to these additional requirements imposed by Yakima County.

1. Underwriting, Subsidy Layering & Cost Allocation – Before committing funds to a project, the Yakima County must evaluate the project to determine the amount of subsidy necessary to provide quality affordable housing and is financially viable throughout the Period of Affordability. Assisted units are designated through cost allocation conducted as part of underwriting.
2. Property Standards For housing that is newly constructed or rehabilitated, all applicable local codes, rehabilitation standards, energy standards, ordinances, and zoning ordinances must also be met. Rental properties must continue to meet applicable property standards and will be subject to inspections by the County for the period of affordability.
3. Initial Occupancy – Within six months of project completion, if all the assisted units in a project are not occupied by eligible tenants, the developer/owner must submit marketing information and, if appropriate, a marketing plan to demonstrate what steps will be taken to get the vacant unit(s) rented. If the assisted units are not occupied, the County, at its sole discretion, may require repayment of funds used to assist the vacant units.
4. Income Re-examination & Rents for Over-Income Tenants – The income of all households in assisted units must be reexamined annually to determine the applicable rent.

If a tenant's income increases beyond 50% of area median income, the tenant must pay no less than 30% of the family's adjusted monthly income.

5. Lease and tenant protections – Tenants in assisted units must have leases for a period of not less than 1 year, unless a shorter period is mutually agreed upon and in a form that is approved by the Consortium. A 30-day notice is required to increase rents or terminate tenancy.
 - Termination of Tenancy – An owner may not terminate the tenancy or refuse to renew the lease of a tenant of assisted rental housing, except for serious or repeated violation of the terms and conditions of the lease for violation of applicable Federal, State or local law, or for other good cause. To terminate or refuse to renew tenancy, the owner must provide written notice to the tenant at least 30 days before termination specifying the grounds for the action and providing a specific period for vacating that is consistent with State or local law.
 - Tenant Fees – Project owners may not charge fees to tenants unless they are approved by Yakima County.

2.3 Yakima County Requirements

The following documentation is not required to be submitted with the proposal, but may be required prior to commitment of funds and completion of the formal written agreement:

- Evidence of site control (purchase and sale agreement, or deed of ownership)
- Zoning certificate (if new construction/rehabilitation)
- Complete third-party construction estimates (if new construction/rehabilitation)
- Market study
- Copies of developer agreements or partnership agreements (if applicable)
- Additional documentation may be required as needed.

The following documentation will be required prior to release of funds, and recording of loan documents:

- Title report
- Property appraisal
- Evidence of other funding commitments, including partnership agreements, or developer/sponsor agreements
- Additional documentation may be required as needed.

2.3.1 Requirements to Commit 1406 & 2060 Funds

The following criteria must be met before Yakima County may commit funds to a project consisting of any combination of new construction, acquisition, and/or rehab:

- Site Control – Evidence of site control shall be submitted with the application for funds. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the Consortium. Proposers should be aware of the purchase or execution of a purchase agreement during the period of application review and environmental review is a

choice limiting action under federal environmental review that can result in termination of any award.

- Property Standards – Proposers must demonstrate understanding and compliance with local and state construction and property standards.
 - For projects intending to preserve housing through rehabilitation proposers must use Yakima County rehabilitation standards for health and safety, and for replacement of major systems including structural support, roofing, weatherproofing (e.g., windows, doors, siding), plumbing, electrical, and HVAC.
- Evidence of Sources – The Proposer is required to provide evidence of commitment of all sources of funds and support all hard debt service loans and terms with executed lenders' commitment letters, letters of interest, or term sheets prior to being issued a commitment letter. This is not a prerequisite for the initial application.
- Rental Project Pro Forma Underwriting Metrics – For rental projects, the operating pro forma must demonstrate feasibility for at least the Affordability or Compliance Period using the following metrics:
 - Debt Service Ratio (DSR) for Projects with Hard Debt: The Project is required to evidence a DSR of no less than 1.15x on all hard debt service requirements for the first 15 years for rehabilitation and 20 years for new construction.
 - Debt Service Ratio for Projects without Hard Debt: The Project is required to evidence a positive Net Operating Income (NOI) throughout the period of affordability.
 - Operating pro forma requirements: Annual income inflation rate of 2.5% for first 15 years and annual expense inflation rate of 3% for first 15 years, or term of the first mortgage, whichever is greater.
 - Annual income inflation rate of 2% and annual expense inflation rate of 2% for the remaining term of affordability.
 - Vacancy rate of no less than 5%.
 - Annual Replacement Reserve of no less than \$300 per unit per year.

Section 3. Proposal

3.1 Submission Instructions and Deadline

Completed applications are due by October 17, 2025, 3 pm PDT. Applications submitted after the submittal date will be considered in chronological order as they are received until available funds are exhausted.

Proposals must be submitted by email to HOME@co.yakima.wa.us. Application file sizes 20 MB or larger must be saved to a file sharing site and a link must be provided in the email. Human Services will confirm that a proposal is received within 24 hours of submittal by email. Proposals submitted in any other format will not be accepted. Incomplete proposals or proposals that do not meet the minimum eligibility requirements outlined in this RFP will not be accepted or reviewed for funding consideration.

Applicants must ensure applications are received by the Human Services Department by the deadline. It is advisable to complete the application several days prior to the deadline in case an applicant encounters issues. Yakima County is not responsible for ensuring that applications are received by the deadline.

3.2 Proposal Materials & Rating Criteria

This RFP will utilize the Washington State Department of Commerce's 2025 Housing Trust Fund (HTF) Combined Funders Application (CFA). Applicants must complete the Word Document titled, '4_HTF-MF CFA Sections July 2025' except for the Low-Income Tax Credit portions of the application. Applicants must also complete the following tabs in the Excel Workbook titled, '3_CFA Forms (MF_2025_v1.0.1):

- Form 1: Project Summary
- Form 2A: Building Information
- Form 2B: Square Footage Details
- Form 3: Populations to be Served
- Form 5: Project Schedule
- Form 6A: Development Budgets
- Form 6B: Development Budget Details
- Form 6E: Fee Schedule
- Form 7: Financing Sources
- Form 8A: Proposed Rents and AMIs Served
- Form 8B: Operating, Service, and Rent Subsidy Sources
- Form 8D: Operating Pro Forma
- Form 8E: Operating Pro Forma Details
- Form 9A: Project Team
- Form 9C: Project Sponsor Experience

Application documents can be found at <https://www.yakimacounty.us/2939/Multi-Family-Housing-RFP>. Applications will be scored according to the criteria listed below. It is the applicant's responsibility to ensure the necessary information is included in the application to adequately score the application.

3.2.1 1406/2060 Funds Scoring Criteria

Criteria ID	Criteria Title	Method of Rating	Max Points
H-1	Organizational & Staff Experience	<ul style="list-style-type: none"> _The Organization has successfully constructed two or more rental housing projects in the past five years for lease to low-income households. _The organization's staff have the combined education and experience to successfully manage construction, lease units to low-income households, and manage the Organization's finances. _The Organization has used state and/or federal funds in past projects. 	25
H-2	Readiness to Build	_The Organization has the necessary financing committed to fund the project at proposal.	25

		_The Organization has title to the property on which to build or a firm option with adequate time to purchase the property _The property is zoned for rental housing. _The proposed project schedule has sufficient detail and shows that construction will begin within 12 months.	
H-3	Income Level of Targeted Demographic	_The Income Limit is at or below 80% AMI (low score). _The Income Limit is at or below 50% AMI (medium score). _The Income Limit is at or below 30% AMI (high score). _Scoring may also be based on a comparison with the income level of households of other proposals.	25
H-4	Level of Subsidy	_The 1406/2060 subsidy per assisted unit is more than \$125,000 (low score). _The 1406/2060 subsidy per assisted unit is less than \$125,000 (medium score). _The 1406/2060 subsidy per assisted unit is less than \$75,000 (high score). _Scoring may also be based on a comparison with the level of subsidy of other proposals.	25