

Pacific Hospital Preservation & Development Authority (PHPDA)
***UPDATED* REQUEST FOR QUALIFICATIONS (RFQ)**
HOUSING FOR YOUTH AND YOUNG ADULTS WELLNESS
8.16.24

RFQ SUBMITTALS DUE: September 6, 2024 by 6:00 p.m. Pacific time

RFQ COORDINATOR: Virgil Wade at quartersrfq@phpda.org

All current documents related to this RFQ, including this RFQ document, a schedule of activities, FAQs, and any amendments, are available online at PHPDA’s website: <https://phpda.org/>

INTRODUCTION

1.1 PURPOSE AND BACKGROUND

Pacific Hospital Preservation & Development Authority (“PHPDA”) issues this Request for Qualifications (RFQ) to select an entity or entities to develop and operate housing and services providing safety and stability to young adults (ages 18 through 24) at risk of and/or exiting homelessness in the Greater Puget Sound area (the “Project”). The Project is to be developed and operated, under a long-term lease, in Quarters Buildings 3-9 on the Pacific Tower campus (the “Premises”).

PHPDA is a public authority organized pursuant to RCW 35.21.660, 35.21.670, and 35.21.730-755 and Seattle Municipal Code Ch. 3.110. PHPDA’s chartered purpose is to provide a legal entity to (1) support and provide funding for the provision of the best possible health care in the greater Puget Sound area in an effort to eliminate disparities in access to health resources and/or improve health outcomes; and (2) enhance, develop, or facilitate development of the PHPDA’s property located at 1200 12th Ave South in Seattle for mixed uses, which may include residential housing and related uses, to generate revenue in furtherance of the PHPDA’s health care related purposes or to fulfill other public purposes as determined by the PHPDA.

The Pacific Tower campus is located in the Beacon Hill neighborhood of Seattle, just south of Interstate 90. The campus is listed on local and national landmark registers, and includes the iconic Pacific Tower building, as well as its Quarters Buildings, where the Premises exist.

Early founders and subsequent leaders of this campus understood its immense value as a public asset. Campus uses over time include: a hospital, a site for primary care, a high-tech headquarters, administrative office spaces – and today, with various community-based uses, a source of grant funds from property use revenue to support community health equity. These various adaptations facilitate PHPDA’s mission as a champion for health equity in King County.

Today, the Pacific Tower campus is a dynamic hub for some of the region’s most vital and innovative nonprofit and government organizations. This Seattle landmark brings together

leading organizations whose work spans issues of social determinants of health and the health of the nonprofit sector. The Seattle Chinatown International District Preservation and Development Authority (SCIDpda) development of “Beacon Pacific Village” on the North Lot of the campus will add a mixed-use affordable housing community. The driving vision for the campus is to create an environment that fosters connections among organizations to magnify their collective impact.

The Premises consists of four separate buildings, originally built in 1932, totaling 21,870 square feet, including one building originally designed as a single-family residence and three duplexes that housed doctors and health care workers at the former federal Marine Hospital. From 2002 until 2022, the Pacific Medical Center used the Premises as administrative offices.

The current zoning of the Pacific Tower campus is C1-55M. Any use of the Premises would be as a portion of the existing parcel. In no case would the PHPDA permit a subdivision or similar division of the parcel to segregate the Premises from the underlying parcel.

1.2 OBJECTIVES AND SCOPE OF PROJECT

In 2022, the Washington State Legislature directed the Department of Commerce to convene a work group to assess the feasibility of repurposing the Premises into service-enriched housing to meet the critical needs of youth and young adults at risk of and/or exiting homelessness in the State of Washington. The resulting report, *Programming Plan – Work Group Recommendations for the Pacific Tower Quarters Buildings 3-10* (the “Work Group Plan”), concluded that “the available Pacific Tower Quarters Buildings present a unique opportunity for young people facing homelessness. The work groupembraced the notion that the Pacific Tower campus could go beyond merely filling a systemic gap and embrace the full vision of the opportunity to engage, support, and launch young people into independence, economic sustainability, and personal enrichment and health”.¹

With this RFQ, PHPDA seeks submittals of responsive information from a qualified organization, or a team of collaborating organizations to develop and operate the Project. The Project, informed by the Work Group Plan, will provide a transitional, supportive independent living program for young adults (ages 18 through 24) at risk of or exiting homelessness.

1.3 FUNDING AND RELATED REQUIREMENTS

PHPDA intends to negotiate a long-term (50 year) ground lease and operating agreement (the “Agreement”) for the Premises with the successful respondent (the “Selected Respondent”) to facilitate the development of the Project. The Agreement will serve as evidence of site control for purposes of funding awards. Exhibit B provides an overview of anticipated terms of the intended Agreement.

¹ See Report in link at Exhibit A.

Once under contract, the PHPDA will assign to the Selected Respondent up to \$4,850,000 in capital funds appropriated in the 2023-25 State Capital Budget (Section 1019). The Washington State Department of Commerce will contract directly with the Selected Respondent once all necessary pre-contractual requirements are met including (1) evidence of Project funding; (2) commitment to at least a 40-year Project; and (3) evidence of site control for the 40-year compliance period. Pre-contractual requirements are set forth in Chapter 43.185A RCW and the Housing Trust Fund policies². Respondents are solely responsible for determining whether they and the Project can comply with the requirements of the Housing Trust Fund and any other applicable funding programs, and for determining the scope of eligible Project development costs.

1.4 MINIMUM QUALIFICATIONS

Eligible respondents include 501(c)3 not-for-profit organizations, housing authorities, local government entities, or federally recognized Tribes, or a team of collaborating organizations of the same, licensed to do business and in good standing in the State of Washington, and having a minimum of five (5) years relevant experience providing housing support to youth and young adults at risk of or exiting homelessness. Submittals that do not clearly meet these minimum qualifications will not be evaluated.

1.5 PROGRAM ATTRIBUTES

Following are the program attributes that a respondents must consider as a part of their submittal:

A. Equity in Services

The risks of homelessness and housing instability are not shared equally among young people. Young adults of color and LGBTQIA2+ community members are overrepresented among homeless young people, compared to their white and heteronormative peers and underrepresented in who gets served. Centuries of biased laws, policies, and practices have resulted in inequitable treatment and perpetuated ongoing trauma, abuse, family rejection and poverty for many young adults of color and LGBTQIA2+ young adults.

Respondents should demonstrate they can adequately address the unique needs of these overrepresented and underserved populations, remove barriers, and provide housing and services that are affirming, accessible, and responsive to young adults who are marginalized because of their race, ethnicity, gender identity, or sexual orientation.

B. Youth and Young Adult Engagement and Voice

It is important that young people have a genuine voice in the service delivery. When young people are included as decision makers, organizations are better informed and equipped to meet their complex and unique needs. Young people who feel valued are more likely to be invested in

² See link to Handbook in Exhibit A.

and take on leadership roles, with these opportunities empowering and propelling them towards successful outcomes.

PHPDA is interested in programming that returns power to young people and actively cultivates ways for young adults to be involved, provide feedback, and take on leadership opportunities.

C. Housing Trust Fund and Funding Capacity

The PHPDA expects respondents to have relevant experience related to implementing projects under the Housing Trust Fund and/or similar programs, as well as capability to comply with the requirements. Respondents should also identify their capacity for seeking other capital funding and long term operating funds.

D. Redevelopment and Property Management Capability

The Premises require significant rehabilitation and repurposing to make them habitable, appropriate, and comfortable for the Project. In addition to its listing on the National Register of Historic Places, the Pacific Tower campus, including the Premises, is designated as a City of Seattle Landmark. The Property and the Premise are subject to a Property Use and Development Agreement, Controls and Incentives, and to Chapter 25.12 of the Seattle Municipal Code (collectively, the “Historic Requirements”).³ The buildings on the Premises cannot be demolished, nor can they be altered beyond the limits of the Historic Requirements. The Premises requires certain upgrades to meet current accessibility requirements. Any repurposing of the Premises will also require addressing deferred maintenance and constructability matters.⁴

Respondents should demonstrate knowledge and ability to perform necessary rehabilitation and repurposing of the Premises consistent with all applicable requirements. Respondents are solely responsible for confirming that their vision for the Project either complies with existing zoning and land use requirements (including as to permitted uses) or a commitment that the respondent would be responsible for securing any necessary zoning amendment or land use modification needed for the anticipated Project. The foregoing is separate from any required approvals related to the Historic Requirements.

E. Public Outreach and Coordination

Public outreach and communication, in both the planning and implementation stages, is a critical component of the Project. Respondents should incorporate in their submittals how they would provide the public with access to Project formation and progress, as well as avenues for ongoing communication.

³ See Title Report at link in Exhibit A.

⁴ See link at Exhibit A (Marx Okubo Report).

GENERAL INFORMATION FOR RESPONDENTS

2.1 RFQ COORDINATOR

The RFQ Coordinator is the sole point of contact in PHPDA for this RFQ. All communication between any respondent and PHPDA upon release of this RFQ shall be with the RFQ Coordinator, as follows:

| | |
|----------------|--|
| Name | Virgil Wade, Executive Director |
| E-Mail Address | quartersrfq@phpda.org |

Any other communication are non-binding on PHPDA and may result in disqualification. Respondents are to rely on written statements issued by the RFQ Coordinator.

2.2 ESTIMATED SCHEDULE OF RFQ ACTIVITIES

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| RFQ issued | June 17, 2024 |
| Required site walk | July 17, 2024 (1:30-3:00 p.m. Pacific time) |
| Deadline to submit questions | July 26, 2024 by 6:00 p.m. Pacific time |
| Release of final Q&A (<i>Updated</i>) | August 16, 2024 |
| Qualifications submittals due | September 6, 2024 by 6:00 p.m. Pacific Time |
| Oral presentations (if any) | Week of September 23, 2024 |
| PHPDA Governing Council decision regarding selected provider | October 8, 2024 (tentative) |

PHPDA reserves the right to revise the above schedule, with updates at <https://phpda.org/>.

2.3 SUBMISSION OF MATERIALS

All submittals must be received by the RFQ Coordinator no later than 6:00 p.m. Pacific time, in Seattle, Washington, on September 6, 2024. All submittals will become the property of PHPDA and will not be returned.

All responsive materials (i.e., the submittal) must be submitted electronically as an attachment to an e-mail to the RFQ Coordinator, at the e-mail address listed in Section 2.1. Submittals may not be transmitted using facsimile transmission. Submittals should be sent in one email, however, if more than one email is needed all must be received by the due date and time. Attachments to e-mail shall be in Microsoft Word format, zipped files, or PDF. Respondents sending large attachments should confirm receipt with a separate email (without attachments) to the RFQ Coordinator. PHPDA does not assume responsibility for problems with respondent's e-mail. Respondents should allow sufficient time to ensure timely receipt of the submittal by the RFQ

Coordinator. PHPDA will not grant extensions to the deadline and will disqualify automatically any late submittals. The PHPDA will provide appropriate allowances if PHPDA email is not working.

2.4 PROPRIETARY INFORMATION AND PUBLIC DISCLOSURE

All submittals shall be deemed public records as defined in Chapter 42.56 RCW. Any information in the submittal that a respondent desires to claim as proprietary and exempt from disclosure under the provisions of Chapter 42.56 RCW, or other state or federal law, must be clearly designated with the particular exemption from disclosure upon which the respondent is claiming cited. Each page containing information subject to a claimed exemption must be clearly identified with the words "Proprietary Information" printed on the lower right hand corner of the page. Marking the entire submittal exempt from disclosure or as Proprietary Information will not be honored. If a public records request is made for communications that the PHPDA, in its reasonable discretion, believes includes the information that the respondent has marked as "Proprietary Information," PHPDA will notify the respondent of the request and of the date that the records will be released to the requester unless the respondent obtains a court order enjoining that disclosure. If the respondent fails to obtain the court order enjoining disclosure, PHPDA will release the requested information on the date specified. If a respondent obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to Chapter 42.56 RCW, or other state or federal law that provides for nondisclosure, PHPDA shall comply with the court order.

2.5 REVISIONS TO THE RFQ; ADDENDA

PHPDA will issue an addendum in the event it finds it necessary to revise or supplement any part of this RFQ. Any published questions and answers will also be provided as an addendum.

Any addenda will be provided via e-mail to all individuals who have made the RFQ Coordinator aware of their interest by sending a contact name, e-mail address, and telephone number to the RFQ Coordinator. Addenda will also be published on PHPDA'S website at <https://phpda.org>.

2.6 RESPONSIVENESS

The RFQ Coordinator will review all submittals to determine compliance with instructions specified in this RFQ. Failure to comply with any part of the RFQ may result in disqualification of the submittal as incomplete and/or non-responsive. PHPDA reserves the right at its sole discretion to waive minor administrative irregularities in any submittal

PHPDA will notify disqualified respondents after the announcement of the Selected Provider. Disqualified respondents may request a debriefing consistent with Section 3.4.

2.7 AGREEMENT NEGOTIATION

The PHPDA will attempt to negotiate terms of the Agreement with the Selected Respondent, consistent with the Term Sheet attached as Exhibit B. In no event should a respondent submit its own standard contract terms and conditions in response to this RFQ.

2.8 COSTS TO PROPOSE

PHPDA is not liable for any cost incurred by any respondent related to responding to this RFQ.

2.9 NO OBLIGATION TO CONTRACT; REJECTION OF SUBMITTALS; RIGHT TO CANCEL/REISSUE

Neither this RFQ nor any responses received as a result obligate PHPDA to contract for the Project. Furthermore, PHPDA reserves the right at its sole discretion to reject any and all submittals received without penalty. PHPDA also reserves the right to cancel or to reissue the RFQ in whole or in part, prior to execution of any Agreement.

2.10 COMMITMENT OF FUNDS

PHPDA'S Governing Council must authorize the PHPDA Executive Director or delegate to legally commit PHPDA to the expenditures of funds for an agreement resulting from this RFQ. PHPDA is not obligated to any costs incurred by a respondent prior to execution of an agreement and, then, only if such costs are identified in such agreement as a PHPDA obligation.

EVALUATION PROCEDURE

3.1 EVALUATION PROCESS

PHPDA will evaluate responsive submittals in accordance with the requirements stated in this RFQ including any addenda. A PHPDA evaluation team(s) will evaluate and rank submittals based on threshold eligibility review, submittal score, and alignment with implementation of the Project described in this RFQ.

Weighting of submittals is as follows:

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|-------------------------------|------------|
| Eligibility (see Section 1.4) | Pass/Fail |
| General Questions | 20 points |
| Project Questions | 80 points |
| Total | 100 points |

PHPDA to determine the Selected Respondent from the combined scores of the written evaluation and any oral presentation. PHPDA reserves the right to base its selection on the submittal deemed to be in the best interest of PHPDA for the Project.

3.2 ORAL PRESENTATIONS MAY BE REQUIRED

PHPDA may schedule oral presentations for finalists identified following review of the written submittals.

3.3 NOTIFICATION TO RESPONDENTS

PHPDA will notify the Selected Respondent of their selection in writing upon completion of the evaluation process. Respondents not selected will be notified separately by e-mail. PHPDA reserves the right to select alternates to the Selected Respondent from the respondent pool, even following notification to such alternates that they were not initially the Selected Respondent.

3.4 DEBRIEFING OF UNSUCCESSFUL RESPONDENTS

Any respondent not identified as the Selected Respondent may request a debriefing by notifying the RFQ Coordinator no later than 5:00 p.m. Pacific time on the third (3) business day following receipt of the PHPDA notification.

Discussion at the debriefing conference will be strictly limited to a review of the following:

- evaluation and scoring of the respondent's submittal; and
- any written comments from evaluators.

Debriefing conferences may be conducted on the telephone or by other electronic means and will be scheduled for a maximum of thirty (30) minutes.

RFQ SUBMITTALS

4.1 BASELINE INFORMATION

All submittals must include the following information (required and not scored):

A. Organization Information:

- Organization name
- Physical address (and mailing address if different)
- Primary contact including name, title, phone number, and email address
- Organization status (501(c)3 not-for-profit organization, housing authority, local government entity, or federally recognized Tribe)
- Confirmation of licensing to do business and in good standing in the State of Washington

For submittals involving more than one organization, please provide all required information for each organization.

B. Anticipated Professional Consultants:

If applicable, please provide a list of professional consultants that you would engage for the Project, by name and/or category.

C. References:

Please include three professional or business references for whom similar work has been accomplished, listing the following:

- Name, organization, title
- Telephone number
- Email address
- A brief description of the relationship to the respondent

4.2 RFQ QUESTIONS

A. General Questions (20 points)

1. Please provide a short summary of your organization's and/or team's history and mission.

B. Project Questions (80 points)

Please describe your organization's and/or team's relevant experience and track record in the following, considering the Program Attributes identified in Section 1.5 and other experiences relevant to the Project and this RFQ.

1. Describe the kind of housing and services model you envision implementing on the Premises. Please address the service model, staffing structure, potential programs, and length of stay/support of resident young adults (ages 18 through 24), and other attributes you envision or deem important.
 - (a) Describe the desired outcomes for young adults served by the Project, and how you would measure short and long-term success in achieving these outcomes.
 - (b) Describe how you would design/reconfigure the Premises to provide the most cost-efficient, safe and stable living environments for young adults at risk of and/or exiting homelessness, and how that design/reconfiguration might contribute to program and service delivery.
 - (c) Describe what you see as the biggest challenges for your proposed model, and how you would overcome these challenges.
 - (d) Describe how you anticipate funding the Project, including the long-term lease payment.

2. Describe how you would approach identifying eligible young adults throughout the Greater Puget Sound area. Please specify how you will reach and engage overrepresented, underserved communities.
3. How will the programmatic approach engage stakeholders and partners to secure affordable housing for young people as they transition out of the program?
4. Describe how you will approach case management, specifically the kinds of supports or referrals that might be provided, staff caseloads, frequency of required communication, and how service plans would be developed to improve wellbeing and maintain housing of the participating young adults.
5. How does your proposed model align with the Work Group Plan recommendation that “the Pacific Tower campus could go beyond merely filling a systemic gap and embrace the full vision of the opportunity to engage, support, and launch young people into independence, economic sustainability, and personal enrichment and health”? Please be specific in your response.
6. Describe your approach to public outreach and communications, both in Project planning and formation and ongoing throughout the term of the Agreement.

END

(Exhibits A & B attached)

Exhibit A (UPDATED 8/16/24)
Link to Key Documents

Link: <https://www.centurypacificlp.com/clients/PacificTowerQuarters>

Username: PacificTowerQuarters
Password: 2024RFQ

- A. Marx Okubo Facilities Conditions Assessment – Conditions Report (February 28, 2019)
- B. Marx Okubo Facilities Conditions Assessment – Maintenance Report (February 28, 2019)
- C. First American Title Insurance Company – Title Report
- D. Amended Property Use and Development Agreement – Pacific Tower Campus (April 4, 1992)
- E. Landmark Controls Ordinance 116055 – Pacific Tower Campus (1992)
- F. Housing Trust Fund Handbook
- G. WA State Department of Commerce report: *Programming Plan – Work Group Recommendations for the Pacific Tower Quarters Buildings 3-10* (March 31, 2023)
- H. Commerce License Agreement
- I. Capital Budget Application

Exhibit B
Anticipated Long-Term Lease Terms⁵

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|------------------|--|
| Landlord | Pacific Hospital Preservation and Development Authority (the “PHPDA”) |
| Premises | Quarters 3-9 on the southern portion of the Pacific Tower campus, located at 1200 12 th Avenue S, Seattle, WA 98144: Quarters 3 / 4: 6,060 SF Quarters 5: 3,690 SF Quarters 6 / 7: 6,060 SF Quarters 8 / 9: <u>6,060 SF</u> Total: 21,870 SF |
| Lease Structure: | Ground lease, absolute net to PHPDA. Selected Respondent will be responsible for all costs associated with Premises, including initial improvements, maintenance, capital repairs, operating expenses, utilities, insurance, taxes, and assessments. Selected Respondent will be responsible for any and all costs allocable to the Premises. |
| Term | Fifty (50) years |
| Commencement | Upon Selected Respondent securing funding for site improvements and program operation. Should Selected Respondent fail to secure funding adequate for Premises improvements and program operations within 24-months of mutual execution of a binding term sheet (“Preliminary Agreement”), \$350,000 of the Deposit will be returned to Selected Respondent. |
| Deposit | \$400,000, due upon mutual execution of a Preliminary Agreement and held in escrow until Commencement. Assuming Tenant has not been in default under the terms of the lease and is not then in default, the PHPDA will return 50% of the Deposit to Tenant upon Tenant’s completion of all improvements to the Premises. |
| Rent | A single, capitalized lease payment in an amount to be negotiated, and as based on appraised lease value, due upon Commencement. |
| Escrow | Escrow to be provided by First American Title Insurance Company, Seattle, Washington (file number NCS-1220020-WA1). |
| Costs | Each is responsible for the payment of their own professional and legal fees. The PHPDA and Selected Respondent will each pay one-half of escrow fees. All other transaction related costs will be allocated in accordance with King County custom. |

END

⁵ List is neither exhaustive nor final, but representative of the anticipated lease terms.