



Department of Commerce
Innovation is in our nature.

Building Communities Fund 2014

RCW 43.63.A 125

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Report to the Legislature
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Acknowledgements

Washington State Department of Commerce

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Special thanks to the Building Communities Fund Advisory Board for their unpaid services in developing the application package, and reading and evaluating the 33 applications received by Commerce.

2014 Building Communities Fund Advisory Board

Advisory Board Members Present at Work Session:

Miriam Barnett, YWCA of Pierce County, Tacoma
Kay Sardo, Opportunities Council (retired), Bellingham
Matthew Watrous, Washington State Boys & Girls Club Association, Seattle
Scott Shinsato, Goodwill Industries of the Columbia, Kennewick

Advisory Board Members Absent from Work Session:

Dean Hanks, Bellarmine Prep, Tacoma
Steve Mitchell, Opportunities Industrialization Center, Yakima
Ronald Morrison, Retired, Vancouver

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Executive Summary

The Building Communities Fund (BCF) was established by [RCW 43.63A.125](#) and directs the Department of Commerce (Commerce) to administer the program, which provides grant funding to nonprofit organizations for acquiring, constructing, or rehabilitating facilities used for the delivery of social or health services. Commerce submits this summary report to the Legislature biennially.

For the 2015-2017 application cycle, BCF implemented an online application system, reducing paperwork and improving efficiency. The online application process was widely praised by applicants and BCF Advisory Board members as an improvement over previous processes that required multiple paper applications.

The 16 BCF projects funded in the 2013-2015 Biennium totaled \$5,279,000.

The Advisory Board approved and submitted a ranked list of 29 eligible projects totaling \$21,325,420 to the Governor and the Legislature for consideration in the 2015-2017 Capital Budget.

The Advisory Board did not encounter any programmatic issues with this year's selection process and therefore does not have any recommendations for process improvements.

Introduction

Background

The Building Communities Fund (BCF) was established by an amendment to [RCW 43.63A.125](#) and replaced the Community Services Facilities Program. The statute directed the Department of Commerce (Commerce) to establish and administer the program. The BCF provides a means of identifying qualified community and social service capital projects in distressed areas of the state, and providing funding support to nonprofit agencies to acquire, develop, or rehabilitate these facilities. These facilities must be used for the delivery of nonresidential community services, such as social service centers and multipurpose community centers, including those serving a distinct or ethnic population.

A distressed community, as defined in [RCW 43.63A.764](#), must include one of the following characteristics:

1. A county that has an unemployment rate that is 20 percent above the state average for the immediately previous three years
2. An area within a county that the department determines to be a low-income community, using as guidance the low-income community designations under the community development financial institutions fund's new markets tax credit program of the U.S. Department of the Treasury
3. A school district in which at least 50 percent of local elementary students receive free and reduced-price meals

[RCW 43.63A.125](#) directs Commerce to:

1. Establish a competitive process to solicit and evaluate applications from nonprofit organizations.
2. Evaluate applications in consultation with a citizen advisory board using objective criteria.
3. Submit biennially to the Governor and the Legislature in the department's capital budget request a ranked list of the qualified eligible projects.
4. Submit biennially a summary report that describes the solicitation and evaluation
5. Develop and manage contracts, monitor project expenditures, and grantee performance.
6. Develop accountability and reporting standards for grant recipients. At a minimum, the department shall use the process including issues encountered and recommendations for process improvements criteria listed in [RCW 43.63A.125\(2\)\(b\)](#) to evaluate the progress of each grant recipient.
7. Submit a biennial report to the appropriate fiscal committees of the Legislature beginning January 1, 2011, including:
 - a. A list of projects under contract with the department under the BCF program; a description of the project, total cost, the amount of state funding awarded and expended to date; project status; number of low-income people served; and the extent to which the project has met the criteria in [RCW43.63A.125\(2\)\(b\)](#).

- b. Recommendations, if any, for policy and programmatic changes to the BCF program to better achieve program objectives.

BCF will pay up to 25 percent of the capital cost of qualified projects. The legislation also allows the BCF to make an additional award of up to 10 percent of the original grant amount for projects that face “exceptional circumstances,” as defined in the statute. In addition, if the Legislature appropriates operating funds for BCF, up to \$3 million of those funds can be used for technical assistance grants to interested parties. The BCF is financed through the sale of state bonds.

The 2009 Legislature made some changes to the authorizing legislation. Those changes included:

- Authorization for the BCF Advisory Board to rank applications.
- Clarification of the definition for Community Service Objective whereby an applicant can qualify for funding consideration by demonstrating that a proposed project will offer three or more distinct activities that meet a single community service objective, i.e., a food bank providing (1) food for the needy, (2) food program outreach, and (3) nutritional education.
- Requiring that Commerce submit a biennial report, previously an annual report.

Role of the Building Communities Fund Advisory Board

The BCF statute directs Commerce to develop and administer a competitive grant process. A key component of this mission is to review applications in consultation with a citizen advisory board. The BCF Advisory Board, which was recruited and appointed by Commerce, consists of volunteers with expertise administering or advocating on behalf of community nonprofit organizations throughout the state. The Advisory Board also includes grant officers from major local foundations, thus giving applicants exposure to other sources of funding.

The BCF Advisory Board helps develop program policy, reviews applications, and recommends projects for review by the Governor and Legislature. The board consists of volunteers with demonstrated expertise in funding, administering, or advocating for community-based social service organizations.

The 2015-2017 Advisory Board convened at Commerce’s offices in Olympia in August 2014 to review and rank applications. The Board used the 10 evaluation benchmarks set forth in the statute to evaluate the applications. At the conclusion of the Advisory Board work session, a ranked list of 29 qualified eligible projects totaling \$21,325,420 was unanimously approved for submittal to the Governor and Legislature for consideration in the 2015-2017 Capital Budget.

The Legislature will make the final determination as to which projects, if any, will be included in the capital budget.

Application Solicitation Process

The BCF solicitation process consisted of four main elements: email announcements, email listserv, Web links, and application workshops.

Commerce assembled an email list of organizations that might have an interest in applying for funding through BCF, and each received BCF application notices. In cases where umbrella organizations did not release their proprietary mailing lists to Commerce, each organization agreed to distribute BCF information in their regular newsletters to members. Participating organizations included:

- Community Action Agencies
- YMCAs and YWCAs
- Boys and Girls Clubs
- Association of Washington Cities
- Washington State Association of Counties
- Nonprofit organizations listed with the Secretary of State
- Members of the Washington State Legislature
- Commission on African American Affairs
- Commission on Hispanic Affairs
- Commission on Asian Pacific American Affairs
- Governor's Office of Indian Affairs
- Indian Tribes in Washington State
- Existing Commerce mailing list of community nonprofit organizations
- All organizations or individuals that contacted Commerce concerning the BCF program, or were referred by the Office of the Governor, the Office of Financial Management, or the Legislature

Additionally, staff developed and maintained an email listserv to keep interested parties informed about BCF information and events such as application workshops. The Commerce website also included information about BCF, including application guidelines and forms.

For this cycle, a new online application process was successfully launched and received positive feedback from both applicants and board members. For outreach, staff conducted three application workshops (Seattle, Spokane, and Vancouver) in June and July 2014; approximately 100 people attended.

The 2015-17 BCF application timetable proceeded as follows:

- Applications available – June 5, 2014
- Spokane Workshop – June 24, 2014
- Seattle Workshop – June 26, 2014
- Vancouver Workshop – July 1, 2014
- Applications due to Commerce – July 31, 2014

Grantee Eligibility Criteria

BCF program staff reviewed 34 applications to ensure they met eligibility thresholds.

Guidelines stipulate that applicants must:

- Be registered in the state as a nonprofit organization.
- Have a legally constituted board of directors.
- Agree to enter the Leadership in Energy and Environmental Design (LEED) certification process or apply for and receive an exemption.
- Certify that state prevailing wages will be paid.
- Have control of the project site through ownership or lease.
- Submit an executed joint operating agreement if applications are a partnership.

After completing a preliminary review to determine eligibility, program staff forwarded 33 applications to the BCF Advisory Board for review. The Board convened in August to review project applications. Project applicants also participated by making brief project presentations (in person or by teleconference) and responding to questions posed by the Advisory Board and program staff.

At the conclusion of the work session, the Advisory Board ranked the applications according to the 10 evaluation criteria set forth in the statute and agreed unanimously to recommend 29 projects for inclusion in the 2015- 2017 Capital Budget. Commerce then submitted those projects to the Office of Financial Management for review.

Project Eligibility Criteria

In order to be forwarded to the Governor and Legislature for funding consideration, projects must meet one of the following:

- Consist of acquisition, construction or rehabilitation of a nonresidential facility used to deliver community services (social service and multipurpose community centers), including those serving a distinct or ethnic population.
- Be located in a distressed community or serve a substantial number of low- income or disadvantaged persons.
- Be located in an area designated as a low-income community under United States Department of the Treasury's CDFI New Markets Tax Credit program.
- Be located in a school district in which at least 50 percent of local elementary students receive free and reduced-price meals.
- Evaluation benchmarks

The Advisory Board used the 10 evaluation benchmarks set forth in the statute as a template for evaluating applications. In order to be forwarded to the Governor and Legislature for funding consideration, applicants had to demonstrate to the Advisory Board's satisfaction that their project met all 10 criteria ([RCW 43.63A.125](#)):

1. Will increase the range, efficiency, or quality of the services provided to citizens.
2. Will be located in a distressed community or will serve a substantial number of low-income or disadvantaged persons.
3. Will offer a diverse set of activities that meet multiple community service objectives including, but not limited to, providing social services; expanding employment opportunities for or increasing the employability of community residents; or offering educational or recreational opportunities separate from the public school system or private schools, as long as recreation is not the sole purpose of the facility.
4. Reflects a long-term vision shared by residents, businesses, leaders, and partners for the development of the community.
5. Requires state funding to accomplish a discrete, usable phase of the project.
6. Is ready to proceed and will make timely use of the funds.
7. Is sponsored by one or more entities that have the organizational and financial capacity to fulfill the terms of the grant agreement and to maintain the project into the future.
8. Fills an unmet need for community services.
9. Will achieve its stated objectives.
10. Is a community priority as shown through tangible commitments of existing or future assets made to the project by community residents, leaders, businesses, and government partners.

Issues Encountered and Recommendations

The new online application system will continue to be used in future Building Communities Fund competitive grant cycles.

The requirement that applicants be registered as a 501(c)(3) nonprofit was revised to only require registration with the Secretary of State as a nonprofit corporation.

The program received an application from a tribe that was not registered as a nonprofit, and after examination of the applicable RCW, Commerce's attorney determined the application to be ineligible.

The Advisory Board did not encounter any programmatic issues with this year's selection process and therefore does not have any recommendations for process improvements.

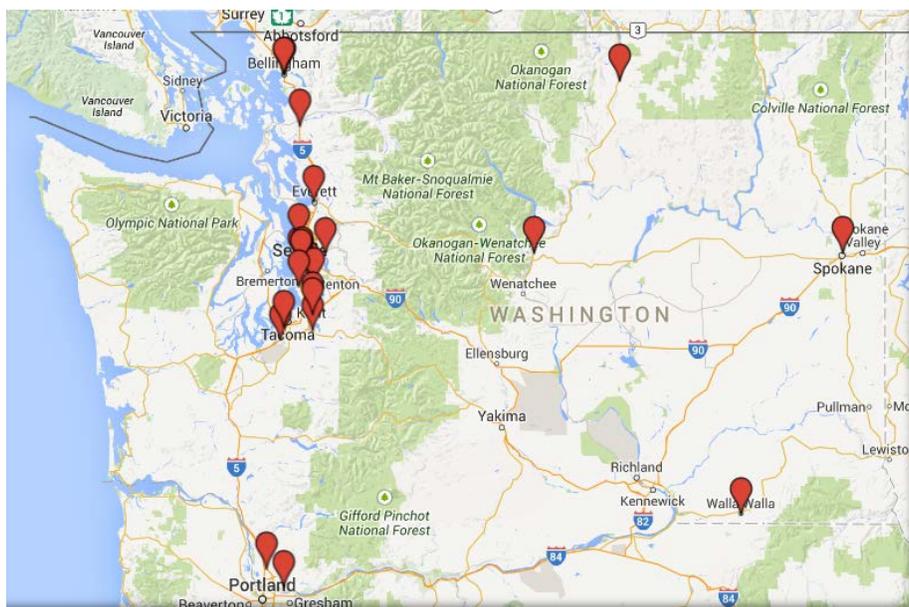
Building Communities Fund 2015-2017 Qualified Eligible Projects

Rank	Applicant/Project Title	Amount
1	Seattle Tilth Rainier Beach Urban Farm and Wetlands	\$307,000
2	Alternatives to Hunger dba Bellingham Food Bank Whatcom County Emergency Food Hub	\$575,000
3	Hopelink Hopelink Redmond Integrated Services Center	\$2,400,000
4	Community Action of Skagit County Riverside Drive Building Purchase	\$137,500
5	Centerforce Centerforce	\$98,000
6	Eritrean Association Eritrean Association Community Kitchen	\$58,250
7	Tonasket Emergency Food Bank Tonasket Food Bank Building Acquisition	\$22,500
8	Pierce Co. AIDS Foundation Building for the Future	\$300,000
9	Entiat Valley Community Services Food Bank Entiat Valley Community Services Resource Center	\$100,000
10	Market Foundation Pike Market Neighborhood Center	\$500,000
11	Opportunity Council Opportunity Council Renovation Project	\$170,000
12	FareStart FareStart Facility Expansion to the Pacific Tower	\$437,500
13	Blue Mountain Action Council Walla Walla Community Teen Center	\$475,000
14	El Centro de la Raza El Centro de la Raza Community Access	\$600,000
15	Women and Children's Free Restaurant & Kitchen Good Ground Capital Campaign	\$300,000
16	Domestic Violence and Sexual Assault Services of Whatcom County Renewed Hope Capital Campaign	\$66,000
17	International Community Health Services ICHS Shoreline Medical & Dental Clinic	\$3,500,000
18	Casa Latina Casa Latina: A Home for Opportunity Phase III	\$150,000

19	Centerstone Centerstone Building Renovation	\$1,500,000
20	Puget Sound Regional Services PSRS Office Building Conversion	\$212,250
21	LASA Prairie Oaks	\$200,000
22	Seattle Indian Health Board Leschi Center Renovation	\$1,000,000
23	YMCA of Snohomish County Everett Family YMCA	\$2,000,000
24	Navos Behavioral Healthcare Center for Children, Youth and Families	\$2,000,000
25	Valley Cities Counseling & Consultation Phoenix Rising	\$250,000
26	YMCA of Pierce and Kitsap Counties Gordon Family YMCA	\$2,000,000
27	Community Home Health and Hospice Community Grief Support & Recovery Center	\$1,000,000
28	Auburn Youth Resources Auburn Youth Resources Campus Expansion Phase 1	\$500,000
29	Sea Mar Sea Mar Vancouver Clinic Construction	\$466,420

Total: \$21,325,420

Map of BCF Proposed 2015-2017 Projects



2013-2015 Building Communities Fund Projects

During the 2013-2015 Biennium, Commerce submitted the following list of projects totaling \$5,279,000 that was subsequently approved by the Governor and the Legislature. Each project met the 10 criteria as stipulated in [RCW 43.63A.125\(2\)\(b\)](#).

Rank	Applicant/Project	Location	Recommended
1	Interfaith Community Health Center Interfaith Community Health Center	Bellingham	\$559,000
2	LaCrosse Community Pride LaCrosse Historic Building Renovation	LaCrosse	\$20,000
3	Gay City Health Project Gay City LGBT Community Center	Seattle	\$64,000
4	YWCA Pierce County It's Time for the YWCA Phase II	Tacoma	\$305,000
5	University Heights Center for the Community University Heights Phase 1 Restoration	Seattle	\$367,000
6	Brigid Collins Family Support Center Whatcom Family Center Renovation	Bellingham	\$62,000
7	SafePlace SafePlace Community Service Center	Olympia	\$241,000
8	Spokane Neighborhood Action Partners SNAP Creating Opportunities Project	Spokane	\$638,000
9	Associated Ministries Tacoma-Pierce County Associated Ministries Renovation	Tacoma	\$105,000
10	Friends of Youth Homeless Youth Service Center	Kirkland	\$476,000
11	Behavioral Health Resources Building Health & Hope	Olympia	\$1,000,000
12	Ryther Ryther Mental Health Out-Patient Facility	Seattle	\$240,000
13	PROVAIL Traumatic Brain Injury & Disabilities Center	Seattle	\$268,000
14	Vadis Vadis Service Expansion	Sumner	\$73,000
15	New Life CDA New Life Community Center	Bremerton	\$800,000
16	MLK FAME Community Center Kitchen Central	Seattle	\$61,000
		Total	\$5,279,000