
Washington State Housing Trust Fund

SECOND ADDENDUM TO THE 2021 RAPID CAPITAL HOUSING ACQUISITION [NOFA #HFU-2021-03](#)

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The Department of Commerce is including an additional Appendix to the Rapid Capital Housing Acquisition NOFA #HFU-2021-03.

Appendix E: Additional Guidance for Federal Funding

American Rescue Plan Act of 2021,
Subtitle M- Coronavirus State and Local Fiscal Recovery Funds, Sec. 9901,
Sec. 604 CORONAVIRUS CAPITAL PROJECTS FUND

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INTRODUCTION

\$30,435,000 of the Capital Budget for Rapid Capital Housing Acquisition is Coronavirus Capital Projects (CCP) funding allocated through the American Rescue Plan Act of 2021 (ARPA). This guidance is provided to inform applicants of the funding availability, and to allow prospective Applicants the ability to update their in-development applications should they choose to pursue CCP funds.

Applicants may be required to submit supplemental information at a future date to verify eligibility to all aspects of the federal requirements.

GENERAL CONDITIONS

Eligible Applicants

Other levels of government (cities, counties, etc.), non-profits, co-operatives, and private entities are considered to be Eligible for these funds.

Funding recipients, recipient's sub-recipients, and contractors must be verified as not having been debarred by the federal government or by the state (www.sam.gov; <https://secure.lni.wa.gov/debarandstrike/ContractorDebarList.aspx>)

Eligible Projects

Projects that directly **enable** all of the following criteria may be eligible for funding:

- 1) Work – *activities to help engage in employment, search for employment, and/or develop the requisite skills and knowledge to become employed,*
and
- 2) Education – *activities to acquire knowledge and/or skills, undertaken as part of a person's participation in school, an academic program, extracurricular program, social-emotional development program, internship, or professional development program, or another education environment,*
and
- 3) Health monitoring – *Services to monitor an individual's health, including with respect to either physical or behavioral health¹,*
and
- 4) Addresses a critical need that resulted from, or was made apparent or exacerbated by the COVID-19 public health emergency,
and
- 5) Addresses a critical need of the community being served by the project.

While projects must be designed to jointly and directly enable the above criteria, these activities are not required to be the **exclusive function or purpose** of the project. Applicants must explain why the community has a critical need for the proposed project.

¹ These activities are often conducted as part of telemedicine appointments, but can also be accomplished in a variety of other ways such as part of community health screenings, in-person appointments

Eligible Activities and Costs

Eligible activities and costs are defined and driven by the cost principles stated in [2 CFR 200 Subpart E. In addition, the following restrictions apply.](#)

Maximum administrative costs

Administrative costs may not exceed 5% of the grant **or** \$25,000, whichever is greater.

Administrative costs include indirect, direct, and audit costs.

Predevelopment costs

include, but are not limited to: Pre-project development costs and uses, including data-gathering, feasibility studies, community engagement and public feedback processes, equity assessments and planning, and needs assessments; permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews.

Construction, rehabilitation, lease up costs

Include, but are not limited to: Costs of repair, rehabilitation, construction, improvement, and acquisition of real property; ancillary costs necessary to operationalize and put the capital assets to full use.

Personnel costs for personnel hired specifically to carry out the project

Personnel costs including salaries and fringe benefits for staff and consultants required for carrying out a Capital Project (such as project managers, program directors, subject matter experts, equity consultants, grant administrators, financial analysts, accountants, and attorneys. *Existing personnel dedicated to a project are an ineligible expense.*

Performance measures and third party cost certifications

Costs associated with collecting and measuring performance data and conducting activities needed to establish and maintain a performance management and evaluation regime related to Projects funded by the Capital Projects Fund program.

Ineligible Activities and Expenses

The following items are a non-exhaustive list of activities and expenses that are ineligible to receive Coronavirus Capital Projects funding:

- Operating expenses
- Principal and interest payments on outstanding debt instruments, or other debt service costs incurred **prior to March 15, 2021**.
- Fees and issuance costs of new debt.
- Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding.
- Supporting or opposing collective bargaining. This does not affect the ability to use funds to comply with 41 C.F.R. 60-1.4.

CONTRACTING REQUIREMENTS

Period of Performance

While U.S. Department of Treasury has a minimum commitment period of five (5) years, unless otherwise identified in the Notice of Funding Availability (NOFA), Commerce requires a commitment period of:

- 50 years for projects in King County and
- 40 years for projects located elsewhere in Washington State.

Costs Incurred Timeframe

At Commerce's sole discretion, costs incurred between **March 15, 2021**, and the CCP funding recipient's contract execution date, may be eligible for reimbursement. Eligibility determination lies solely with Commerce.

Contracted funds must be drawn **by no later than December 31, 2026**. Failure to draw funds by this date may result in the funds being returned to the U.S. Department of Treasury. Any funds that are no longer available will not be supplanted or replaced by state or other funding by Commerce.

Contract with Commerce

In addition to conformance with all CCP requirements, projects receiving CCP funding must comply with requirements identified in the ARPA Guidance (link at the bottom of this Guidance), the Rapid Capital Housing Acquisition NOFA, any published addenda, and any requirements established by Commerce as a condition to contracting (including the Washington State Housing Trust Fund Handbook). Commerce has the sole discretion to determine whether the pre-contract requirements have been satisfied so that contract documents may be drafted and executed.

Required Elements in Recipient's Contract with its Subcontractor(s)

Recipients of CCP funds awarded by Commerce must include the following in their legal agreements with contractors and require these agreements to be included in their contractors' sub-contractors:

- **Dun & Bradstreet D-U-N-S number (DUNS) and Statewide Vendor Number (SWV)**: Commerce will determine whether the DUNS number requirement will apply to recipients at a later date, but all recipients will need an SWV number. The DUNS number is a unique nine-digit identification number linked to the Eligible Applicant's physical location. The SWV number is a unique identification number used by a legal entity to receive state funds.
- ***State prevailing wages are required (<https://lni.wa.gov/licensing-permits/public-works-projects/prevaling-wage-rates/>)***: Funds will be granted to the recipient (Loans are not allowable). Therefore, prevailing wage rates will be required. Davis-Bacon Wage rates will not be required unless required by other federal funds invested in the project.
- ***Compliance with Contract Work Hours and Safety Standards Act, 40 USC 3702 and 3704.***
Applicants will be prioritized by those who can:
 - Demonstrate that their workforce meets high safety and training standards, including professional certification licensure, and/or robust in-house training.
 - Demonstrate that they prioritize hiring local workers and/or workers from historically disadvantaged communities;

- Document that they have no recent violations of federal and state labor and employment laws (*verified via checking the debarment lists identified above*).
- **Data gathering:** It is anticipated that the U.S. Department of Treasury requires quarterly *reports* regarding positions paid with CCP funds. Contracts between Commerce, its clients, their contractors, and sub-contractors must include provisions that enable the collection of this data. Failure to provide this data is grounds to rescind the grant award in its entirety for failure to perform. The data will include, but is not limited to:
 - Expenditures
 - status
 - civil rights compliance
 - equity indicators
 - community engagement efforts
 - workforce plans and practices².
- **Recoupment:** The U.S. Department of Treasury reserves the right to recoup funds used in violation of ARPA. Commerce contracts will include a recoup provision. Commerce's funding recipient may choose to incorporate recoup provisions in its contracts with contractors and sub-contractors.

FEDERAL GUIDANCE DOCUMENT

[Guidance for the Coronavirus Capital Project Fund: *for States, Territories, & Freely Associated States* – U.S. Department of Treasury September 2021](#)

² this will be sought from sub-contractors as well