

# WASHINGTON STATE DEPARTMENT OF COMMERCE



## Building Communities Fund Community Capital Facilities

June, 2017



**Department of Commerce**  
Innovation is in our nature.

# Building Communities Fund Program

- Capital grants for constructing, renovating, or acquiring non-residential community/social service projects
- Matches up to 25 percent of eligible costs
- No minimum or maximum awards
- \$68 million awarded since 2009
- RCW 43.63A.125



# Guidelines for Capital Grant Programs

- Available only to tribes and registered nonprofits
- Must have site control (ownership or 15+ year lease at time of application)
- All require matching funds from grantee
- Non-state share to complete projects must be committed before funds are released\*
- Reimbursement only; no advance payments
- Uses a Citizens Advisory Board to review applications



# Meet Just One of Five Main Eligibility Criteria

1. Be located in a “distressed county”
2. Be located in a New Market Tax Credit eligible area
3. Be located within the boundary of eligible school districts
4. At least 40% of service recipients are at or below 200% of U.S. DHHS Poverty Guidelines
5. At least 40% of service recipients qualify as economically or socially “disadvantaged” as outlined by the Small Business Administration



# Meet All Ten Project Benchmarks

1. Increase the range, efficiency, or quality of the services provided.
2. Be located in a distressed community or serve a substantial number of low-income or disadvantaged persons.
3. Offer a diverse set of on-site activities that meet multiple community service objectives.
4. Reflect a long-term vision for the development of the community, shared by residents, businesses, leaders, and partners.
5. *Require state funding to accomplish a discrete, usable phase of the project.*



## Meet All Ten Project Benchmarks (cont.)

6. Be ready to proceed and make timely use of the funds.
7. Be 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. Fill 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.



# Allowable Use of Funds

- Only “bricks and mortar” costs eligible
- Architectural costs and engineering
- Building permits and fees
- Demolition and site preparation
- Capitalized equipment
- IT infrastructure
- Landscaping



# Ineligible Costs

- Internal administrative costs
- Project management
- Fundraising activities
- Feasibility studies
- Computers
- Rolling stock
- Moving costs





# Prevailing Wages

- All projects included in the Capital Budget must agree to pay prevailing wages beginning the day the Governor signs budget
- Acquisition-only projects are exempt. These projects must result in a usable facility
- Tribal projects on Tribal land are exempt.
- Department of Labor and Industries implements prevailing wage law



# Archaeological Review – Executive Order #05-05

- Signed by Governor in November, 2005
- Projects must be reviewed by the state Department of Archaeology and Historic Preservation before contract execution.
- Projects undergoing Federal Section 106 review under the National Historic Preservation Act of 1966 are exempt.



# High-Performance Building Standards (LEED)

- Major capital projects that receive state capital grants must meet the LEED silver standard, or receive an exemption based on statute.
- Exemptions to this state law include:
  - Acquisition-only projects
  - Projects that involve “piecemeal” renovations
  - New construction under 5,000 square feet
  - Certain renovations
- May result in somewhat greater up-front costs, but buildings will be more efficient to operate, improve worker performance, and use recycled materials.



# Grant Process Timeline

- Applications available – Spring, 2018
- Applications Due – August, 2018
- Notification of preliminary review results – August, 2018
- Advisory Board Review – September, 2018
- Recommendations to the Governor – September, 2018
- Governor's Capital Budget Released – December, 2018
- 2017-2019 Capital Budget Signed – June, 2018
- Funds Released to Commerce – September, 2018



# Building Communities Fund Projects



University Heights Center  
Seattle



The Arc of Spokane  
Community Center



Interfaith Community Health Center  
Bellingham



# Questions / Comments

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Also, please consider joining our listserv to receive up-to-date information about all of our grant programs:

<http://listserv.wa.gov/archives/capital-programs.html>

