



# Department of Commerce

Innovation is in our nature.

## Building Communities Fund Report – 2012

---

Per RCW 43.63A.125(4)

**April 2013**  
Report to the Legislature  
Brian Bonlender, Director

## **Acknowledgments**

### **Washington State Department of Commerce**

Dan McConnon, Deputy Director, Community Services and Housing Division

Bill Cole, Managing Director, Community Capital Facilities Unit

Daniel Aarthun, Manager, Community Capital Facilities Program

Kathy Chance, Manager, Community Capital Facilities Program

Special thanks to the Building Communities Fund Advisory Board for their unpaid services in developing the application package, and reading and evaluating the 16 applications received by Commerce.

### **2012 Building Communities Fund Advisory Board**

Miriam Barnett, YWCA of Pierce County, Tacoma

Dean Hanks, Bellarmine Preparatory School, Tacoma

Steve Mitchell, Opportunities Industrialization Center, Yakima

Ronald Morrison, Department of Social and Health Services, Vancouver (retired)

Kay Sardo, Opportunities Council, Bellingham (retired)

Matthew Watrous, Washington State Boys & Girls Club Association, Seattle

Washington State Department of Commerce

Community Capital Facilities Program

1011 Plum Street SE

P.O. Box 42525

Olympia, WA 98504-2525

[www.commerce.wa.gov](http://www.commerce.wa.gov)

For people with disabilities, this report is available on request in other formats. To submit a request, please call 360-725-4000 (TTY 360-586-0772).

# Table of Contents

Introduction.....	1
Application Solicitation Process .....	4
Application Eligibility Process .....	5
2013-2015 Qualified Eligible Projects .....	7
Map of BCF Proposed Projects Statewide 2013-2015 .....	8
2011-2013 Projects .....	9

# 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, including social service centers and multipurpose community centers, including those serving a distinct or ethnic population.

Qualified projects must be located in a distressed community or serve a substantial number of low-income or disadvantaged persons. 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 United States 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 process including issues encountered and recommendations for process improvements.
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 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.

The 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 statute also directs Commerce to prepare a summary report that includes a discussion of issues encountered and recommendations for process improvements, and submit it to the fiscal committees of the Legislature at the conclusion of each grant cycle.

The 2008 Legislature enacted the BCF to provide a means of identifying qualified community and social service capital projects in distressed areas of the state, and provide capital support to nonprofit agencies and their partners to acquire, develop, or rehabilitate these facilities.

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 2013-2015 Advisory Board convened at the Radisson Hotel in SeaTac in August 2012 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 16 qualified eligible projects totaling \$5,279,000 was unanimously approved

for submittal to the Governor and Legislature for consideration in the 2013-2015 Capital Budget. The Advisory Board also passed a motion to include an additional \$100,000 for technical assistance grants to allocate to grantees by the agency as needed.

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: (1) email announcements, (2) email listserv, (3) Web links, and (4) application workshops.

1. Staff at 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
  - YMCA's and YWCA's
  - 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 by email or telephone concerning the BCF program, or were referred by the Office of the Governor, the Office of Financial Management, or the Legislature
2. Staff developed and maintained an email listserv to keep interested parties informed about BCF information and events such as application workshops.
3. The Commerce website included information about BCF, including application guidelines and forms that could be downloaded when available.
4. Program staff conducted three application workshops (Seattle, Spokane, and Vancouver) in June 2012; 57 persons attended.

The 2013-15 BCF application timetable was as follows:

- Application advisory announcement – May 28, 2012
- Applications available – May 28, 2012
- Spokane Workshop – June 19, 2012
- Seattle Workshop – June 20, 2012
- Vancouver Workshop – June 28, 2012
- Applications due at Commerce – July 9, 2012

# Application Eligibility Process

## Application Eligibility Criteria

Program staff reviewed 36 BCF applications to ensure they met the 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.
- Possess a current or advance ruling 501(c) (3) IRS registration.
- 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 16 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 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 16 projects for inclusion in the 2013- 2015 Capital Budget. Commerce then submitted those projects to the Office of Financial Management for review, in accordance with RCW 43.63A.125.

## 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.

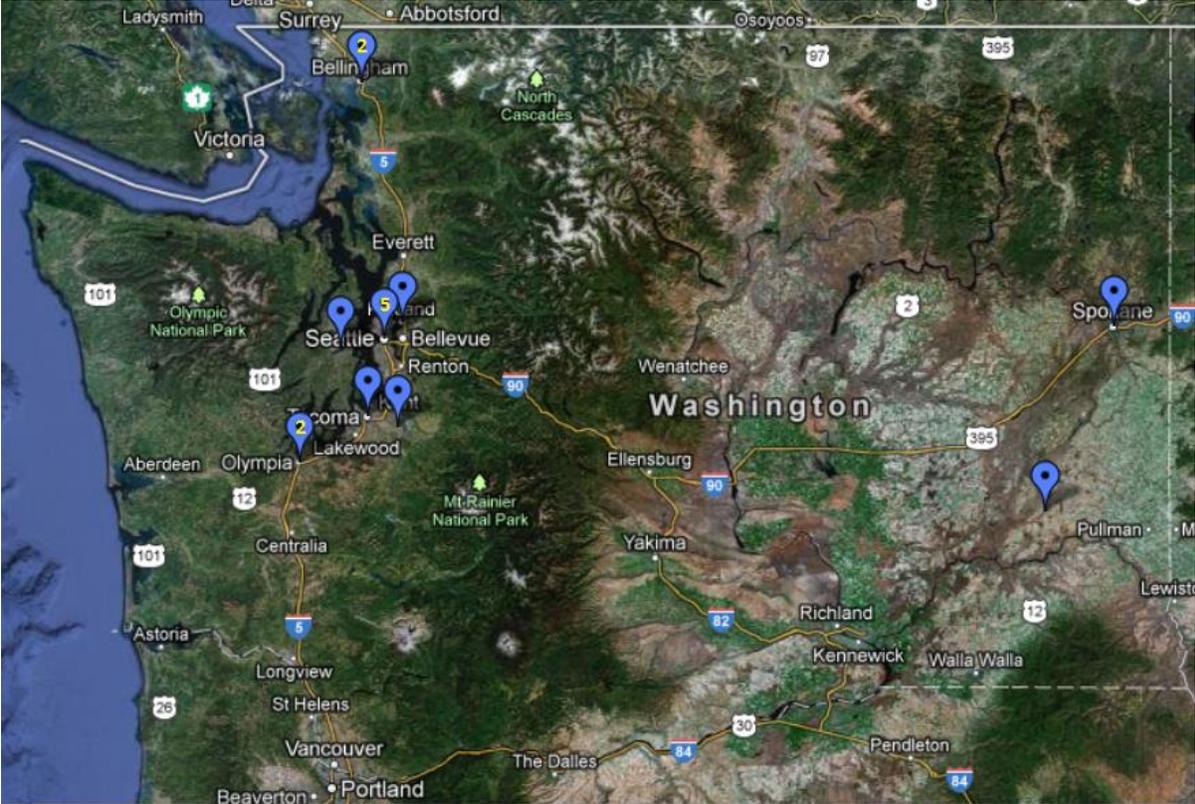
## **Issues Encountered and Recommendations**

The 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 2013-2015 Qualified Eligible Projects

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 Co 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
17	Technical Assistance Grants	Statewide	\$100,000
		<b>Total</b>	<b>\$5,379,000</b>

# Map of BCF Proposed Projects Statewide 2013-2015



## Building Communities Fund 2011-2013 Projects

Commerce submitted the following list of projects that was subsequently approved by the Governor and the Legislature in the amount of \$14,679,000 during the 2011-2013 session. The list includes a description of the project, total cost, the amount of state funding awarded and expended to date and the project status. The projected number of low-income people served is included in the project summary brief column. Each project had to meet the 10 criteria as stipulated in RCW 43.63A.125(2)(b).

<b>Rank</b>	<b>Applicant/Project</b>	<b>Location</b>	<b>Recommended</b>
<b>1</b>	Serenity House of Clallam County Tempest Building Rehabilitation Completion	Port Angeles	\$52,000
<b>2</b>	Boys & Girls Clubs of King County Auburn Activity Center	Auburn	\$316,000
<b>3</b>	YMCA of Pierce and Kitsap Counties Haselwood Family YMCA	Silverdale	\$1,250,000
<b>4</b>	Jewish Family Service Multi-Use Social Services Facility	Seattle	\$2,313,000
<b>5</b>	Low Income Housing Institute Urban Rest Stop 2	Seattle	\$313,000
<b>6</b>	The Salvation Army Center for Nurturing Families & Children	Spokane	\$56,000
<b>7</b>	Share Share Service Center	Vancouver	\$581,000
<b>8</b>	Navos Mental Health & Wellness Center	Burien	\$2,500,000
<b>9</b>	Kitsap Community Resources South Kitsap Community Services Center	Port Orchard	\$600,000
<b>10</b>	Transitions New Leaf Bakery	Spokane	\$109,000
<b>11</b>	Boys & Girls Clubs of the Columbia Basin Building the Future	Moses Lake	\$648,000
<b>12</b>	Village Green Foundation Community Center at Village Green Park	Kingston	\$1,029,000
<b>13</b>	Community Action Council of LMT Building Blocks	Olympia	\$95,000
<b>14</b>	United Way of Kitsap County Non-Profit Community Center	Bremerton	\$605,000
<b>15</b>	ARC of Spokane ARC of Spokane Building Consolidation	Spokane	\$862,000
<b>16</b>	Dynamic Family Services Dynamic Collaboration for Kids	Burien	\$575,000
<b>17</b>	University District Food Bank University Commons	Seattle	\$573,000

<b>18</b>	Community Health Care Lakewood Clinic Renovation	Lakewood	\$123,000
<b>19</b>	YWCA Yakima Bringing It Home	Yakima	\$203,000
<b>20</b>	SafePlace Community Service Center	Olympia	\$778,000
<b>21</b>	Allen Renaissance, Inc. Allen Place Performing Arts & Technology	Tacoma	\$800,000
<b>22</b>	Kent Youth and Family Services Valli Kee Homes Community Room	Kent	\$298,000
		<b>Total</b>	<b>\$14,679,000</b>

Total Amount Awarded 2011-2013: \$ 14,679,000.00

Total Amount Expended: \$ 9,048,957.78