



# HOUSING & COMMUNITY DEVELOPMENT FUND NOTICE OF FUNDING AVAILABILITY (NOFA) 2022

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## Community/Public Facilities & Improvements

2022 FUNDING ROUND

RELEASE DATE: DECEMBER 6, 2021



CITY OF BELLINGHAM HOUSING & COMMUNITY DEVELOPMENT FUND  
2021 NOTICE OF FUNDING AVAILABILITY (NOFA)  
COMMUNITY/PUBLIC FACILITIES AND IMPROVEMENTS PROGRAM

RELEASE DATE: DECEMBER 6, 2021

## I. APPLICATION ROUND

Applications are being solicited to establish a list of projects for funding in 2021. Funding from the City of Bellingham may include one of these sources: Housing Levy, American Rescue Plan Act (ARPA), HOME Investment Partnership Program (HOME) and Community Development Block Grant (CDBG).

If specific details of your project are still pending to the extent that you cannot assemble a complete application, please contact the Housing and Services Program Manager before the application deadline to discuss your options. **If you are seeking funding for a childcare facility only, you may opt to submit the application Cover Sheet by the deadline** to indicate your intent to apply. A full proposal will be required before funding can be granted. At the City's sole discretion, a copy of the WA State Dept of Commerce Early Learning Facility application may be accepted in lieu of the City's Community/Public Facilities Application.

### Eligible Activities and Funding Available

There are a variety of opportunities for City funding of projects. Funding is available in the following program areas:

- Rental Housing - production of new rental (multifamily) housing primarily serving households that earn less than 50% of Area Median Income (AMI). Up to \$2.5 million total funding is available, with multiple projects likely to be awarded funding.
- Rental Assistance and Supportive Services - only those agencies that are requesting production of new multifamily housing under this NOFA may request rental assistance and supportive service funds. No additional funds are available, and services funding must be included within the Rental Housing request (above).
- Housing Preservation - preservation of multifamily housing, including shelters and transitional housing. Up to \$2.5 million total funding is available for both the Rental Housing and Housing Preservation programs, with preservation projects typically receiving up to one-quarter of this amount.
- Community/Public Facilities and Infrastructure – community/public facilities and improvements that principally benefit low-income persons or areas, including community facilities such as food banks, senior centers, childcare facilities, community centers, and acquisition of existing housing. Approximately \$500,000 available, with more possible for housing & childcare facilities.

The funding source for this program is federal Community Development Block Grant (CDBG) funds. The term "public facilities" or "public improvements" are broadly interpreted in the CDBG Program to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open/available to the general public or anyone part of the targeted population being served.

### **Other Funding Available**

The City and partners provide other financial assistance, including Emergency Multifamily Needs (up to \$50,000), Winter Emergency Shelter grants, Acquisition & Opportunity Loans, Housing Repair and Weatherization and First Time Homebuyer. Contact the City for more information on these opportunities or a referral to one of our partner agencies.

### **Applications**

Applications can be downloaded from Bellingham's web page at <https://cob.org/services/housing/funding-opportunities-2/partnerships-funding>. When submitting your application, make sure you do so in the original format provided. DO NOT convert your Application to other formats. Technical corrections requested by staff will be allowed within three (3) working days of the request.

### **Applications Sought**

Applications are being solicited for public facilities and improvement projects. The projects include the following types of activities:

- **Infrastructure:** Acquisition, construction, rehabilitation, or installation of public facilities and improvements such as: sewer projects, flood drainage facilities, solid waste disposal facilities, parks, recreation, open space, streets, sidewalks and walkways, and removal of architectural barriers.
- **Community/Public Facilities:** Acquisition, construction, or rehabilitation of community facilities (predominantly those run by nonprofit agencies and serving low-income residents), such as food banks, senior centers, and community centers. Nonprofit childcare facilities are encouraged to apply, and are eligible to the extent the funding requested is in proportion to the low-income households served and for the program (non-administrative) portion of the facility.
- **Acquisition of Existing Housing:** Applicants seeking funding for new housing construction or acquisition with substantial rehabilitation should apply under the Housing Production or Preservation NOFAs. Applicants seeking funding for turnkey housing acquisition (with no or very minor rehabilitation needed), especially for special needs populations, may opt to use this NOFA.

### **Ineligible Projects and Activities**

The following projects and activities would be ineligible for funding under this program:

- Government buildings (except removal of architectural barriers)
- General government expenses
- Political activities
- Purchase of equipment, furnishings and personal property
- Operating and maintenance expenses for public facilities (maintenance of publicly owned streets, parks, playgrounds, water/sewer facilities, etc.)
- Staff salaries for operation of public works and facilities
- Administrative offices of non-profit agencies

- Shelters (see Housing Levy Preservation Program for funding opportunities)

### **Funds Available**

The City anticipates having approximately **\$500,000** of available funding to commit to eligible projects with a single project generally receiving between \$50,000 and \$200,000. Available funds are prospective funds from 2022. Funds would be available to contract after July 1, 2022 or when HUD releases 2022 allocations. Additionally, ARPA funds may be made available for successful housing or childcare applications at higher amounts.

## **II. PROJECT ELIGIBILITY/CDBG NATIONAL OBJECTIVES**

The funding source (CDBG) for this program requires funded activities to meet one of three National Objectives:

- Benefit to low- and moderate-income persons;
- Aid in the prevention or elimination of slums or blight; or
- Meet a need having a particular urgency (referred to as urgent need).

The City anticipates that the activities being considered will meet the first objective -- benefit to low-and moderate-income persons. If a project sponsor wishes to pursue one of the other national objectives, please contact the City's Housing and Human Services Program Manager before proceeding to determine viability of the proposal prior to submission.

The City is required to ensure the majority of projects assisted with CDBG funds principally benefit lower income persons or households. The City must certify that 70% of CDBG expenditures will be for activities that benefit low- and moderate-income persons.

The low- and moderate-income benefit requirement applies in different ways to different kinds of projects, as provided in the federal regulations. Documented compliance with the low-income benefit standard applicable to your project is mandatory in order for your application to be considered for funding. Agencies will be expected to maintain documentation in client and project files in order to demonstrate compliance with these requirements.

Because this requirement is complex, the following outline will assist you in determining if your proposed project can meet the applicable standard, and how it must be substantiated.

Low- and moderate-income is defined as having an income equal to or less than 80 percent of the area median income, adjusted for household size. The specific household income limits are based on U.S. Census Bureau estimates, which are updated and issued by HUD annually. The current limits by household size can be found on the City's website at <http://www.cob.org/documents/planning/housing/hud-income-rent.pdf>.

Under this National Objective, CDBG-assisted Public Facility and Improvement projects must demonstrate the benefit to low- and moderate-income persons using one of the following categories:

- **Area Benefit Activities:** Those that benefit anyone living within the area served by the project.
- **Limited Clientele Activities:** Those that exclusively benefit a specific and limited target population of persons.

1. **Area Benefit Activities.**

Area benefit activities are activities that benefit all residents in a particular area where the residents are primarily low- and moderate-income. The area served must be *primarily residential in nature* and the activity must be designed to meet the identified needs of low- and moderate-income persons. The claimed boundaries of the service area must encompass the entire service area for the activity, must be specifically delineated in the application, and the basis for determining the boundaries must be substantiated. As a general rule, at least 51% of residents in the service area must be low- or moderate-income persons. For technical assistance, please contact the City Housing and Services Program Manager.

2. **Limited Clientele Activity.**

Limited clientele activities are limited to a specific group of persons, of which at least 51% of those served by the project must be low- and moderate-income. Projects qualifying under this category serve a specific clientele, rather than providing service to all persons in an area. Limited clientele activities may qualify as either a **presumed benefit** activity or a **direct benefit** activity.

- a. **Presumed Benefit Activity.** Presumed benefit activities are those that serve a specific group of people that HUD categorically considers to be low- and moderate-income persons. These categories include: abused children, battered spouses, elderly persons, persons who are homeless, adults who are illiterate, persons living with AIDS, migrant farm workers, and adults who are severely disabled as defined by the Bureau of Census. The project sponsor must document that the activity is designed to be used exclusively by a category of persons presumed by HUD to be low- and moderate-income. If the clientele served does not fall under one of the presumed benefit category of persons, it may qualify as a direct benefit activity.

*Removal of Architectural Barriers.* An activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or “severely disabled” adults (as defined by the Bureau of the Census), is eligible under the “limited clientele presumed benefit” category provided that it is restricted, to the extent practicable, to the removal of such barriers.

Severely Disabled Adults Defined. HUD "presumes" that adults who are severely disabled are lower income, and therefore agencies who serve this population do not have to document income status. Under this definition, persons are classified as having a severe disability if they:

- 1) Use a wheelchair or had used another special aid for 6 months or longer;
- 2) Are unable to perform one or more functional activities (seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking);
- 3) Need assistance with activities of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating, and toileting) or instrumental activities of daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone);
- 4) Are prevented from working at a job or doing housework;
- 5) Have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia, or mental retardation; or
- 6) Are under 65 years of age and who are covered by Medicare or receive Supplemental Security Income (SSI).

- b. Direct Benefit Activity. A direct benefit activity is one which serves persons with low and moderate-income. The project sponsor must verify and maintain documentation regarding the family size and income of each person/household served. At least 51% of the clientele served must be low- and moderate-income or the activity funded must be limited exclusively to persons with low- and moderate-income.

The *nature and location* of the activity may also support a conclusion that persons who are primarily low- and moderate-income are served. To qualify under this definition, the service provided must be of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be low- and moderate-income. Please contact the City Housing and Services Program Manager for technical assistance regarding nature and location.

### III. PROGRAM REQUIREMENTS

1. **Eligible Organizations.** The City will consider proposals from nonprofit agencies and public agencies, including the City of Bellingham.
2. **Eligible Costs.** CDBG funds may be used to pay for all costs associated with an eligible project, including, but not limited to: construction, acquisition, rehabilitation, appraisals, site assessments, legal fees, professional services (architectural, engineering, surveyors, etc.), permits, fees, hookups, site assessments, environmental assessments, site cleanup, testing & inspection, and abatement.
3. **Wage and Labor Requirements.** Applicants seeking funds should assume that all repair or construction work will require compliance with state prevailing wage rates (Chapter 39.12 RCW), and build the requisite costs into all project development budgets. Applicants are advised to consult with the Washington State Department of Labor and Industries and/or private legal counsel prior to applying for funding to determine whether prevailing wages must be paid and, if so, whether commercial or residential rates apply.

Applicants seeking funds should assume that federal labor requirements will apply, if applicable. When federal funds trigger prevailing wages determined under the Davis-Bacon Act in a project, the higher of either the State Residential Prevailing Wage Rates (unless modified as stated below) or Davis-Bacon wage rates will apply to each job classification, unless applicable law requires otherwise.

4. **Competitive Selection of Contractors.** The recipient of these funds must competitively select any contractors that will complete the work if not using the recipient's own workforce. The recipient must propose a competitive contractor selection process to the City, which reserves the right to review and approve the process prior to implementation.
5. **Project Location.** All projects funded under this program must be located within the City of Bellingham.
6. **Funding Agreement Required.** Any project funded by the City with more than \$25,000 of CDBG funds must be able to provide benefits to low- and moderate-income persons or areas (80% AMI or below) for a *minimum of five years*. The City will enter into a funding agreement that will include deed restrictions and other covenants to ensure the continuous benefits to low- and moderate-income persons or areas.
7. **Forms of Financial Assistance.** Funds awarded to private, nonprofit organizations will typically be in the form of a *deferred payment, no interest loan* that must be repaid if the property is sold or there is a change of use during the term of the financial assistance.

8. **Collection of Income Data.** For projects that are eligible based on limited clientele, the applicant will be required to develop a system for obtaining the needed information that demonstrates compliance with benefit to low- and moderate-income household requirements.
  
9. **Other Federal Requirements.** The recipient of these funds may be required to comply with the following:
  - Section 3 economic opportunities for low-income persons;
  - Section 504 accessibility requirements for access to HUD-funded services;
  - Americans with Disabilities Act (ADA);
  - Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA);
  - Equal Opportunity requirements prohibiting discrimination;
  - Minority and Women Business Enterprise Participation; and
  - Environmental review pursuant to the National Environmental Policy Act (NEPA) and implemented federal regulations.

The WA State Department of Commerce has a thorough handbook available to help those managing CDBG-funded projects comply with all requirements. This handbook is available here: <https://www.commerce.wa.gov/serving-communities/cdbg-technical-assistance-resources/>.

10. **Compliance with Laws.** The recipient of these funds will be responsible for obtaining all notices, licenses and permits required to perform the work.

#### IV. SELECTION CRITERIA

The following criteria will form the basis upon which evaluation of proposals will be made:

##### Mandatory Criteria.

The following are mandatory requirements. Proposals not clearly demonstrating that they meet them will receive no further consideration during the evaluation process.

Mandatory Criteria
a) The proposal must be received at the closing location by the specified closing date and time.
b) One (1) electronic copy, in Word, of the proposal narrative must be submitted
c) One (1) electronic copy, in the specified format, of all necessary attachments.
d) (Optional) One (1) hard copy (paper) of the proposal may be submitted.

##### Competitive Selection Criteria.

Proposals meeting the mandatory requirements will be further assessed against the following competitive selection criteria.

Criteria	Basis	Weight
Consolidated Plan Priorities	<i>Priority is given to facilities that promote socioeconomic diversity, conserve energy resources or address architectural barriers, and create solutions to high-priority needs.</i>	30 pts. 30%
Population Served	<i>Priority is given to facilities that serve families, medically fragile and those with disabilities, youth, people who are re-entering from institutions or prisons, homeless, seniors, and victims of domestic violence or child abuse.</i>	30 pts. 30%
Collaboration and Leverage	<i>Priority is given to facilities which leverage community partnerships, funding diversity (existing or proposed), and promote collaboration.</i>	20 pts 20%
Experience and Readiness	<i>Priority is given to agencies (or consultants) with experience in federally funded construction projects.</i>	20 pts 20%

##### **A. Consolidated Plan Priorities (30 points max)**

The 2018-2022 Consolidated Plan identifies several needs, goals, strategies and priorities that could be implemented through investment in public facilities and improvements. The City will prioritize activities that fulfill a high-priority need identified in the 2018-2022 Consolidated Plan. This could be a service gap which cannot be adequately filled in an existing facility, or a currently unmet need. The following will also receive consideration:

1. Geographic Equity and Opportunity. The City will support efforts to ensure that funding for public facilities and improvements are equitably distributed among neighborhoods. Projects should include one or more of the following:
  - a. Improve the safety and livability of the neighborhood;
  - b. Increase access to quality public and private facilities and services;
  - c. Reduce the isolation of income groups within areas through revitalization of deteriorating neighborhoods; or
  - d. Restore and preserve properties of special historic, architectural, or aesthetic character.
2. Conserving Energy Resources. The City will support efforts to improve energy efficiency improvements in non-profit facilities that primarily serve residents who are low-income or low-income neighborhoods. Applicants should have an energy assessment completed that identifies the needs and how improvements would reduce energy costs and resources.
3. Architectural Barriers. The City will support efforts to address architectural and physical barriers in nonprofit facilities (except housing). Any improvements must meet federal, state and local requirements for access.
4. Address Emerging Needs. Certain issues are emerging and in need of attention and creative solutions. The City of Bellingham aims to remain responsive to the needs of local agencies as new priorities and opportunities arise – especially prioritizing neighborhoods that lack opportunities for local residents and provide services for special needs groups.

## **B. Population Served (30 points max)**

The Consolidated Plan identifies priorities and preferences based on needs identified by the community, and the City's commitment to equity and social justice. Projects which improve existing structures of nonprofit facilities that serve one or more of the following special needs populations will receive priority:

- Families with young children (under 8 years old) or single-parent households.
- Persons with physical or mental impairment, including addiction or behavioral health issues.
- Households that are homeless or at imminent risk of homelessness.
- Persons re-entering from institutions or prisons or exiting homelessness.
- Persons who are seniors (62+ years old).
- Survivors of domestic violence.
- Youth or young adults (24 years old and under).
- Facilities that provide services to a large breadth of low-income persons who may fall into three or more of the preceding categories.

### **C. Collaboration and Leverage (20 points max)**

The [2018-2022 Consolidated Plan](#) identifies coordination between beneficiaries and funders, and amongst service delivery agencies as a priority. Projects that identify measurable ways to meet the following priorities will receive preference in the selection process.

Community Partnerships: Facilities and services that demonstrate active partnerships and/or regular collaboration with other public, nonprofit and private entities that support similar goals or related activities. Examples of how this may be demonstrated include financial contributions, membership on advisory groups or task forces, sharing data or best practices, and soliciting input from community partners.

Funding Diversity: The City will prioritize facilities that leverage additional financial (cash) resources from federal, state, local or private resources, or can demonstrate future sources of funding sustainability for the proposed activities.

### **D. Experience and Readiness to Proceed (20 points max)**

Organizational Capacity and Experience. Funding for this program requires compliance with numerous federal, state and local laws. Smaller projects, or larger projects with agencies with limited experience in these requirements, can face significant delays or obstacles to completing a worthy project. Priority will be given to those agencies with adequate experience in a federally funded construction project, or for those agencies that have identified the necessary consultant or project resources to address the lack of any agency experience.

Readiness to Proceed. Priority will be given to projects which are further along in the development process and ready to proceed with construction or acquisition. This includes things like having site security, completing due diligence, having a clearly thought out work plan and other aspects or readiness.

## V. PROPOSAL FORMAT

In order to qualify for consideration for these funds, applicants need to submit a response to the following issues and format as specified.

1. **Cover Letter** - a cover letter that identifies the Request for Proposal being responded to on letterhead of the proponent. Address and contact information, including phone and email, shall be clearly shown.
2. **Written Narrative** - a complete narrative application that demonstrates understanding of the scope of funding being sought by the City, including selection criteria.
3. **Budget** - a project budget that accounts for project expenses anticipated and consistent with program funding limitations.

### Submission Format

All applicants must submit the following to the City of Bellingham, Planning and Community Development Department as follows:

- A USB, or flash drive, that includes one complete electronic application that meets the following:
  - USB/flash drive is clearly labeled with the applicant and project name.
  - The Project Budget must be in Excel format. Narratives must be submitted in Word format. Attachments must be in PDF format.
- One original hard copy of the entire application may be submitted but is not required.

### Where to Submit Applications

Please mail or deliver applications to:

Heather Aven, Administrative Secretary  
Department of Planning and Community Development  
City of Bellingham  
210 Lottie Street  
Bellingham, WA 98225

### Application Schedule

Invitation to Submit Applications .....	December 6
Applications Due .....	January 24
Initial Screening.....	January 25 - February 11
Draft Ranking Released .....	February 28
Community Development Advisory Board Hearing .....	March 10
Opportunity for Public Comment .....	March 1 - 15
Community Development Advisory Recommendation .....	April 14
Mayor's Award Announcements.....	April 26
Council Action on HUD 2022 Action Plan .....	May 9

**Applications are due no later than 5:00 p.m. on January 24, 2022**

## **City's Rights to Limit Funding**

The decision to reserve and allocate funding rests with the Mayor of the City of Bellingham, with advice provided by the Community Development Advisory Board and Loan Review Board.

## **Disclosure of Documents**

All proposals and related materials become the property of the City upon delivery to the City. State law, RCW Ch. 42.17, provides that public records are subject to public inspection and copying unless specifically exempted. RCW Ch. 42.17 enumerates limited exemptions a public agency's obligation to disclose public records. If the applicant believes that portions of its proposal are exempt from disclosure to third parties, the applicant must clearly label the specific portions sought to be kept confidential and specify an exemption that the applicant is relying on. However, acceptance of an application containing such designations by the City is not an agreement that such material is legally confidential, and the City cannot guarantee that such information will not be disclosed. Marking all or substantially all of an application as confidential may result in the application being rejected.

The applicant recognizes and agrees that the City will not be responsible or liable in any way for any losses that the applicant may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties. Materials submitted by unsuccessful applicants are subject to disposal unless picked up promptly by the applicant, except that the City will maintain one copy in compliance with public record laws.

## **Interpreter Services**

Interpreter services for the deaf and materials in alternative formats are available upon advance request. TTY users please call the Washington State Relay Service at 1-800-833-6388 or 711 and ask to be connected with the City of Bellingham, Housing and Services Program Manager at (360) 778-8385.

## **Questions**

Please contact Samya Lutz at (360) 778-8385 or email [slklutz@cob.org](mailto:slklutz@cob.org) with any questions about the application process.

*The City of Bellingham does not discriminate on the basis of race, color, national origin, sex, religion, age, families with children, and disability in employment or the provision of services. With five business days' notice, special accommodations will be provided. Refer any inquiries or complaints related to HUD regulations implementing Section 504 to the Housing & Services Programs Manager. Contact 778-8385 (voice) or 711 (TTY).*