

# 2018-2019 EQUITABLE DEVELOPMENT FUND GUIDELINES



**Seattle** Office of Planning  
& Community Development

**Equitable Development Initiative**

## ABOUT THE EQUITABLE DEVELOPMENT INITIATIVE FUND

The City's purpose for the [Equitable Development Initiative](#) (EDI) fund is to support projects that address displacement and lack of access to opportunity for historically marginalized communities in Seattle. Successful projects will be those that best articulate a connection between their organization and the ability to impact the Equity Drivers identified in the [Implementation Plan](#).

### EDI ORIGIN STORY

The EDI was envisioned by community organizations as a response to the displacement pressures and historical lack of investment that has occurred in communities of color in Seattle. The Seattle 2035 Comprehensive Plan policies emphasize equity of opportunity across the city. However, displacement pressures continue to increase, and communities need additional tools to stabilize existing communities and neighborhoods.

The Office of Planning and Community Development (OPCD) and the Seattle Office for Civil Rights (SOCR) brought together and supported the Race and Social Equity Task Force in 2015. The Task Force included community leaders from three neighborhoods experiencing very high risk of displacement: The Central Area, Chinatown/International District, and Southeast Seattle. The Race and Social Equity Task Force has collectively provided their expertise to help shape the Comprehensive Plan, Growth Strategy, Equitable Development Implementation Plan and advocated for the EDI fund through the Equitable Development Financial Investment Strategies. They are now represented on the Equitable Development Interim Advisory Board, are involved with the Annual Equitable Development Monitoring Report, and with the implementation of the Equitable Development Projects. The projects have been identified to decrease risk of displacement and increase access to opportunity to improve racial equity and create a city in which everyone can thrive regardless of race or means.

City Council adopted the [Equitable Development Implementation Plan](#) and the [Equitable Development Financial Investment Strategies](#) as part of an effort to directly resource the mitigation strategies of the Comprehensive Plan. These documents outline EDI interventions that should be targeted towards six Equity Drivers combined to create broad anti-displacement strategies.

### EDI FUNDING

The current funding round is making available \$5.5 million available for up to seven qualifying organizations. Approximately \$1 million will be awarded to support capacity-building efforts over a two-year period, with \$4.5 million available to projects for predevelopment and capital expenses.

The additional EDI funds will be deployed in a future after EDI staff conducts an equity analysis of the previous rounds and identifies any gaps that need to be filled to advance the goals and values of the EDI. OPCD will provide additional guidance about future eligibility guidelines following completion of the equity analysis.

The EDI RFP has been developed in consultation with the EDI Interim Advisory Board. Staff would like to acknowledge the contributions of the following individuals:

**Abeshaw Shiferaw** – Rainier Valley Corp

**Cassie Chinn** – Wing Luke Museum

**Guilia Pasciuto** – Puget Sound SAGE

**Maiko Winkler-Chin** – Seattle Chinatown  
Preservation Development Authority

**Maria-Jose "Coté" Soerens** – Puente Seattle

**Patrice Thomas** – Rainier Beach Action Coalition

**Quynh Pham** – Friends of Little Saigon

**Srijan Chakraborty** – Hunger Intervention

**Tony To** – HomeSight

**Willard Brown** – Delridge Neighborhood  
Development Association

**Wyking Garrett** – Africatown

**Monisha Harrell** (facilitator) – Rule Seven

**Yasmeen Perez** – Social Justice Fund NW

## EDI VALUES

- **Centering communities most impacted by displacement** – We value efforts that focus decision-making processes into structures of community development with clear accountability to impacted community-members.
- **Community-driven strategies** – We believe in community self-determination, influence, and leadership. We know that communities are resilient and resourceful, and that tapping into their own collective cultural cornerstones of curbing displacement is key to ownership of initiatives and projects, as well as reducing invisibility.
- **Acknowledging historic injustices** – We value efforts that are explicit about addressing systemic racism and the institutional barriers that exist for communities of color.
- **Accountability** – We support efforts which are most likely to bring improvements to the lives of those impacted by displacement and lack of opportunity. We recognize that affected communities deserve strong, accountable, accessible, transparent, and culturally appropriate solutions that include ongoing oversight of government and other entities to address the negative impacts they have experienced.
- **Leverage** – We support efforts that leverage community resources and support the existing assets available to low-income communities that are not typically recognized or valued in community development processes.
- **Flexibility and interdependence** – We strive to create processes that reduce barriers to participation while providing a fair structure for all communities seeking to participate in the EDI. We recognize that all places and people are interconnected, and commit to an approach of collective impact.
- **System change** – EDI funding is intended to advance projects that re-imagine the development process in a way that prioritizes long-term benefits and capacity for community members.

## Distinctive features of the EDI fund

- Organizations that are interested in applying to the EDI fund are eligible to access capital funds on an as-needed basis subject to the needs of their project and fund availability.

- Funding is limited to organizations/coalitions led by impacted communities, working on advancing economic and racial equity in high risk of displacement communities.
- EDI funds are intended to be targeted towards communities that are experiencing, or are at highest risk of experiencing, displacement pressures as a result of Seattle’s growth. Additionally, priority goes to communities that have historically experienced specific policies that limit the opportunity of people of color.
- EDI funds will be awarded as either grants or loans based on the specifics of each project and their ability to repay, along with an assessment of the value provided to the public.
- EDI generally assumes that engagement with partners will involve a multi-year process of building capacity, developing a project, and overseeing implementation and reporting.
- We aim to distribute funds broadly among communities that are impacted by displacement and historic disinvestment. EDI staff will conduct an Equity Analysis of the program following the Round 2 awards to make sure that gaps and disparities are identified and addressed in subsequent funding rounds.
- EDI may recommend alternative funding strategies for projects that are able to access existing resources in order to maximize the amount available to communities. EDI funds are intended to complement existing funding sources and address gaps identified by communities in the existing resources available to them.

## Applicant Eligibility

The EDI fund is intended to support anti-displacement strategies and promote economic development opportunities by supporting community-initiated solutions that are designed and implemented by communities that are subject to displacement as the region grows. As such, the EDI fund will prioritize applicants who are best able to demonstrate a thorough organizational commitment to equitable development as both practice and outcome in the relationship between their organization and the community whose interests they seek to represent.

In addition to the Request for Proposals, applicants are encouraged to review the [Implementation Plan](#) for guidance on the City’s priorities and vision for the EDI fund.

## Applicant Minimum Criteria

Priority will be given to organizations that best meet most of the following criteria:

1. Does the applicant have 501c3 designation from the IRS?
  - a. If not, does the organization have a fiscal sponsor and does the fiscal sponsor limit sponsor fees to 15 percent of the grant award or less and have a clear strategy to support the organization’s long-term capacity-building work?
2. The proposal must do work that primarily serves City of Seattle residents.
3. The applicant must be in good standing with any other open City of Seattle contracts, grants, or loans.
4. The project addresses at least three of the Equity Drivers from the *Implementation Plan*. Proposals can target more than three, but applications will only be evaluated on their top three.

## Equity Drivers

The City's purpose for the EDI fund is to support projects that address displacement and lack of access to opportunity for historically marginalized communities in Seattle. Successful projects will be those that best articulate a connection between their organization and the ability to impact the Equity Drivers identified in the *EDI Implementation Plan*.

Applicants should be able to explain how their project will affect the Equity Drivers as well as how they propose to monitor the project's effectiveness. **Attachment A** outlines several suggested metrics to monitor success of EDI projects. Applicants are encouraged to propose measures more meaningful to their communities.

### The Equity Drivers are:

*D1: Advance Economic Opportunity.* Promote economic opportunities for marginalized populations and enhance community cultural anchors. Provide access to quality education, training, and living wage career path jobs.

*D2: Prevent Residential, Commercial, and Community Displacement.* Enact policies and programs that allow marginalized populations, businesses, and community organizations to stay in their neighborhoods.

*D3: Build on Local Community Assets.* Respect local community character, cultural diversity, and values. Preserve and strengthen cultural communities and build the capacity of their leaders, organizations, and coalitions to have greater self-determination.

*D4: Promote Transportation Mobility and Connectivity.* Prioritize investment in effective and affordable transportation that supports transit-dependent communities.

*D5: Develop Healthy and Safe Neighborhoods.* Create neighborhoods that enhance community health through access to public amenities, healthy, affordable, and culturally relevant food, and safe environments for everyone.

*D6: Equitable Access to All Neighborhoods.* Leverage private developments to fill gaps in amenities, expand the supply and variety of housing and employment choices, and create equitable access to neighborhoods with a high access to opportunity.

### Additional Project Development Evaluation Criteria

Projects that are seeking access to predevelopment, acquisition, or capital funds must first meet the general EDI requirements to access capacity-building funds. Once a project is accepted as an approved EDI project, EDI staff will meet with the applicants to discuss the specifics of additional funding needs on an as-needed basis.

## Funds Available

The Equitable Development Initiative is making \$5.5 million available in Round 2 applications. Awards will be made for a two-year period. Projects that do not use their funds and extend beyond the two-year period will be required to reapply for the remaining awarded funds to ensure that projects are still active. The OPCD Director has the authority to approve exceptions on a case-by-case basis.

## Funding Caps

	Capacity-Building	Predevelopment	Acquisition/Capital	Total Cap
Per Project	N/A	\$250,000*	\$1 million	\$1 million
Per Organization	\$75,000/year**	n/a	n/a	n/a

\*\$50,000 limit before site control is established

\*\*Long-term capacity-building efforts should assume decreases in the amount funded every year.

## Eligible Uses

### **Capacity-building:**

Capacity-building funds are intended to help partner organizations deliver successful outcomes. Funding agreements will require that awardees demonstrate specific deliverables and benchmarks that show how the additional capacity will be able to assist them in delivering the proposed outcomes of the EDI project. EDI staff will negotiate contract specifics with awardees based on the particular needs of the organization.

Organizations are encouraged to include coalition partners in the uses of funds.

### **Predevelopment:**

Predevelopment funding requests must show a preliminary Sources and Uses budget for the overall development (see **Attachment B** for a template). EDI funds will need to be shown as a source within the budget along with each potential line item to be funded. EDI staff may reject proposals that clearly violate criteria for other public funders that would be involved in the project.

The disbursement restrictions on pre-development expenses prior to site control is intended to ensure that projects have resources to conduct initial due diligence but that there is a substantial commitment to the project site before seeking additional funds.

### **Acquisition:**

Acquisition financing is focused on land/property for non-residential uses. EDI funds can be used to reimburse all reasonable related costs associated with the property transfer. The City may require covenants and deed restrictions to be placed on the property to ensure that the site is used for the proposed public benefits. EDI staff may reject proposals that clearly violate criteria for other public funders that would be involved in the project.

### **Construction:**

EDI funds may be used for hard construction costs. EDI will require applicants to comply with all relevant state and local statutes. EDI staff may reject proposals that clearly violate criteria for other public funders that would be involved in the project.

## Underwriting Restrictions

1. Non-capacity-related requests will be reviewed in the context of the larger project's capital stack. Funds will be provided with repayment conditions that incentivize repayment where possible without interfering with the ability of the project to move forward.

2. Multiple applicants may apply for the same geography, but EDI staff may work with applicants to match-make organizations that share interests and priorities.
3. Since capital awards are applied for on an as-needed basis, awards not spent within a 2-year period will be re-evaluated annually to determine whether the award should remain active.
4. Capital requests should be in line with cost per unit and/or per square foot restrictions from other funders involved in the project budget.
5. EDI staff will coordinate with other public funders to ensure that proposals are not seeking duplicative funding for the same deliverables.
6. Approvals may include conditions on funding to ensure the project meets legal requirements and adequately addresses potential risks to public funds.
7. Contracts may impose restrictions on consultant expenses for capacity-building grants in cases where the applicant may be over-reliant over a long period on outside expertise.
8. EDI staff may impose restrictions or decline funding where risks and rewards in development partnerships are not equitably shared between partner organizations.
9. EDI staff may collaborate with other funding agencies to identify alternative sources where there is a path for project success that does not rely on EDI funds.
10. An EDI Advisory Board or a subcommittee may review the applications and make recommendations to the OPCD Director to ensure community voice is included in the interpretation of the EDI goals and policies.

## EDI Fund Round 2 Timeline

1. **OUTREACH: ONGOING**
  - EDI staff will conduct outreach meetings in partnership with the Department of Neighborhoods to communities identified by the Comprehensive Plan as most at risk of displacement.
2. **REQUEST FOR PROPOSALS IS RELEASED: DECEMBER 2017**
  - Staff send RFP to EDI's distributions lists and networks, and begin fielding questions from potential applicants.
3. **PRE-APPLICATION MEETINGS: FEBRUARY 2018**
  - Applicants are encouraged to schedule meetings with EDI staff to review their projects.
4. **APPLICATIONS ARE DUE: MARCH 5, 2018**
  - All applications are received by 5 p.m.
5. **APPLICATIONS ARE REVIEWED: MARCH-APRIL 2018**
6. **APPLICANTS ARE NOTIFIED: MAY 2018**
7. **CONTRACTS: MAY-JUNE 2018**

- EDI staff negotiates final scopes of work and contract deliverables with applicants.

## 8. EVALUATION: ONGOING

- EDI fund awardees will work on their projects with support from the EDI project manager.

## Application Scoring

Projects that best meet the objectives of the Equitable Development Implementation Plan will be prioritized. Applications will be scored based on scoring system pioneered by the work of Social Justice Fund NW, but adapted for this EDI funding process. The scoring system, listed below, includes questions in each section intended to help guide responses. Applicants are encouraged to review the questions as well as the *Implementation Plan* for guidance.

## Scoring System

### 1. Equity Drivers

Overall Question: Will the proposed work meaningfully address displacement pressure or opportunity gaps in the community?

<b>STRONG (deserves high score)</b>	...or...	<b>WEAK (deserves low score)</b>
Does the proposal show a clear connection between the project and Equity Drivers from the EDI Implementation Plan?	...or...	Does the proposal have a limited logical connection to EDI Implementation Plan?
Does the proposal describe measurable outcomes that it aims to influence to advance EDI drivers?	...or...	Does the proposal lack a vision for how effectiveness would be viewed?
Is the proposal at a sufficient scale to be able to address the community need?	...or...	Does the proposal not have a way to scale to the point where there would be significant benefit to the community?
Does the project represent a substantial effort to address three Equity Drivers equally?	...or...	Is the project mostly about one Equity Driver with others thrown in to comply with the application rules?
Do the proposed Equity Drivers clearly align with needs in the community?	...or...	Are the proposed Equity Drivers driven primarily by an organization’s existing programs?



## 2. Depth of Relationship

Does the proposal:

- 1) Come from communities that are in high risk displacement neighborhoods?
- 2) Include community members in the decision-making leadership of the organization?
- 3) Derive from an established, accountable, and inclusive community process?

<b>STRONG (deserves high score)</b>	<b>WEAK (deserves low score)</b>
Does the leadership (Board and Executives) of the applicant reflect the community being served?	...Or... Is there significant disparity between the organization’s staff and the community?
Does the organization have governance documents that focus on anti-displacement or community-development work?	...Or... Is this proposal a significant departure from the organization’s founding mission and purpose?
Does the organization have a history of building neighborhood or community capacity generally?	...Or... Does the organization primarily build programs capacity internally?
Does the organization have a history of work within the community?	...Or... Is this the first time the organization has proposed to work with this particular community?
Is the proposal the result of previous community efforts?	...Or... Was the proposal developed solely in the context of the EDI funding round?
Does the total proposal budget adequately resource all partners in the proposal?	...Or... Does the collaboration rely on the unreimbursed work of partner organizations?
Has the organization itself experienced displacement pressures?	...Or... Is the organization stable in both geographic and financial circumstances?
The proposal contains a clear description of how the project will be accountable to community members.	...Or... There is no formal structure for feedback or accountability within the proposal.
Does the organization demonstrate clear reasoning as to why they are leading the work?	...Or... Are there other organizations in the area that would potentially do a better job as the project sponsor?

### 3. Reasonableness

**Overall Question: Is the project likely to be successfully implemented?**

<b>STRONG (deserves high score)</b>		<b>WEAK (deserves low score)</b>
Does the organization, factoring in proposed capacity-building efforts, have the ability to deliver on the proposal?	...Or...	Is the proposal clearly outside of the ability of the organization to be able to accomplish?
Does the proposal adhere to cost-constraint best practices?	...Or...	Is the proposed budget inflated compared to similar project types?
Does the organization have a clear idea of how to deliver on the programming aspects of the proposal?	...Or...	Are the actual operations of the project entirely theoretical?
Has the proposal adequately identified potential risks and mitigations?	...Or...	There are significant issues that are not addressed that would limit the project's implementation?

### 4. Displacement Risk

**Overall Question: Does the project represent an area that has, is, or is likely to experience significant displacement pressure.**

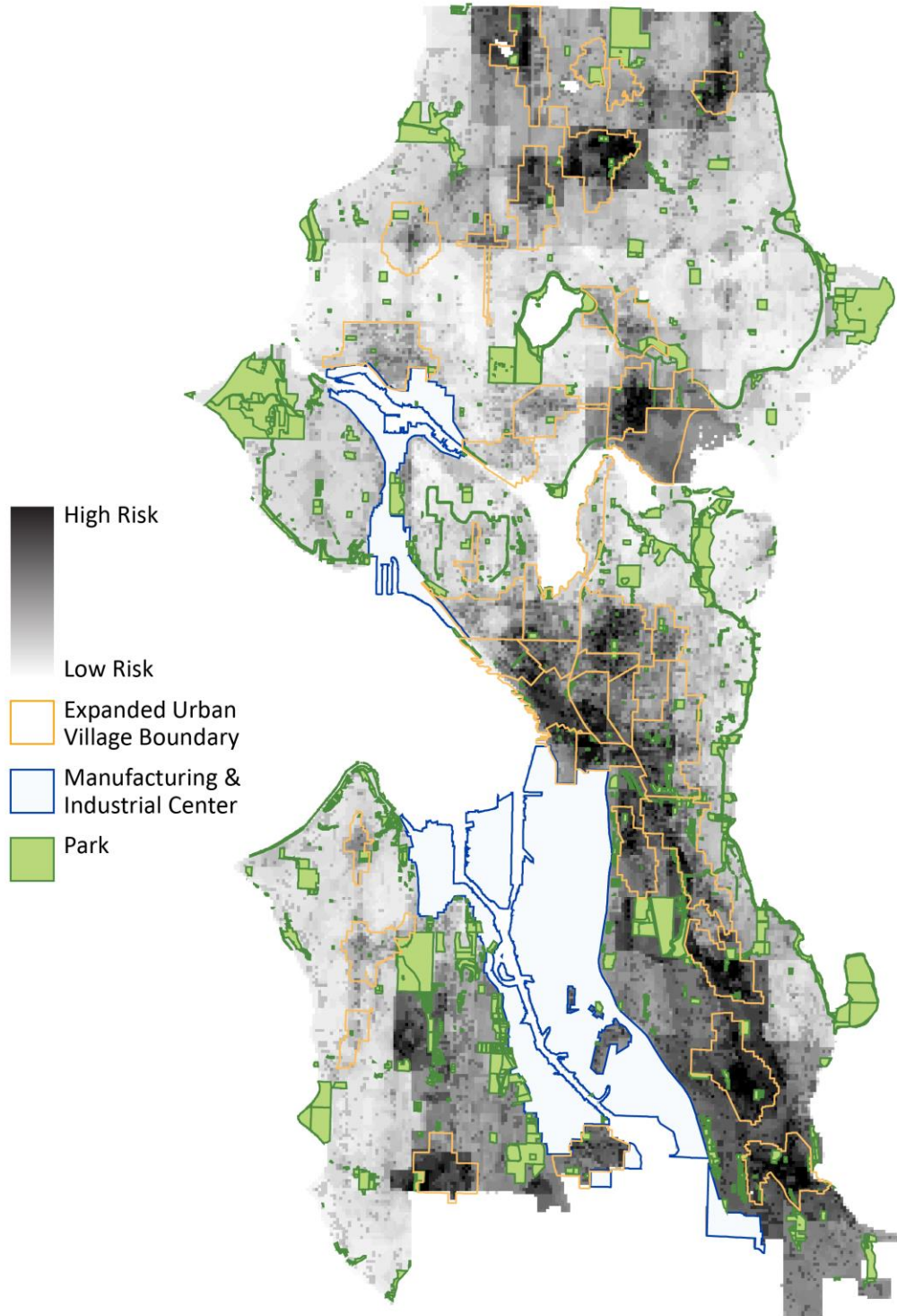
<b>STRONG (deserves high score)</b>		<b>WEAK (deserves low score)</b>
Does the project affect a geography identified in the EDI's Risk of Displacement Index?	...Or...	Does the project not address a community experiencing or at risk of displacement?
Has the focus community been the target of discriminatory public policy?	...Or...	Does the project not address systemic discrimination?
Has the neighborhood been subjected to historic injustices that contribute to modern disparities?	...Or...	Does the project not address historical inequities?

### 5. Access to Opportunity

**Overall Question: Does the proposal create more access to opportunity**

<b>STRONG (deserves high score)</b>		<b>WEAK (deserves low score)</b>
Does the project affect a geography identified in the Access to Opportunity Index?	...Or...	Does the project not address a community with gaps in its access to opportunity?
Does the proposal address the opportunity gap?	...Or...	Is the proposal unrelated to the existing needs in the community?

# Displacement Risk Index



# Access to Opportunity Index

