

2021 Strategic Investment Fund

Frequently Asked Questions

1. Can the SIF be used to pay for the build out of the space?

No, the funds can only be used to purchase property.

2. How long will an applicant have access to the funds?

The City can hold the funds for up to two years if the recipient can show progress toward the goals in their application.

3. Are these funds a grant or a loan?

Technically, these funds are a forgivable loan, meaning that they act more like a grant than a loan that needs to be repaid. As long as the developed project includes a public benefit as agreed to in contract, the City funds do not need to be paid back.

4. Why are Public Development Authorities required partners for small businesses?

Washington has a unique state law that prohibits gifting of funds and lending of credit to private uses except for those that benefit the poor and infirm. This generally prevents funding to for profit businesses. A PDA could be used to avoid triggering the prohibition, because it is a public entity and not a private entity. A PDA could be used to acquire property and collaborate closely with a community group/business.

5. If a community organization is buying a share of a property alongside a development or equity partner, what ownership stake would qualify for this project?

We would like to see projects with a clear and exclusive path to majority ownership, which could mean a majority ownership stake in a completed project within 15 years or 100% ownership of a condo-ized ground floor unit.

6. Can we apply for more than one site?

Applicants may apply for multiple sites in the same proposal if the multiple sites are critical to the project vision and the total is under \$5 million.

7. Can the funds be used to pay back a loan?

The purpose of these funds is to secure new acquisition opportunities. We do not recommend that you take out a loan to secure a new property in anticipation of receiving SIF funds. Once you have been awarded funds and you need to secure the property with a bridge loan until City funds are available, SIF funds can be used to repay.

8. When would awarded projects start to receive funding?

Acquisition contracts are often complicated and take some time to set up and implement, but the team will work with you to develop a timeline that meets your project's needs.

9. Do applications for capital funding need to submit a Purchase and Sale Agreement if we do not already own property?

No, they are not required, in part due to the associated costs. We don't want organizations making earnest money payments just to be eligible for funding. If there is a specific property you intend to purchase with the capital funding, it would be helpful for you to describe the property and process to acquire it in your application. Staff recommend talking through this with us prior to your application.

10. Are grantees required to submit reports or other records of the project's progress?

Using public money requires that we can demonstrate public benefits as required by Washington State's constitution. Acquisition contracts will require covenants or other language that will require the property to provide services, as defined by the public benefits you plan to create for your community.

11. What technical assistance is available?

During the application process: If you have specific questions or would like a member of the team discuss your project with you, we would be glad to make time to talk with you. Once you have received an award: The team member assigned to your project will help along the way. We have peer convenings where grantees can come together and learn from each other.

For More Information

For questions or to receive this document in an alternate language or format, contact giulia.pasciuto@seattle.gov / (206) 386-1598.



Seattle
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