**EQUITABLE DEVELOPMENT INITIATIVE** **2024 FUNDING ROUND – RFP GUIDANCE**



# ABOUT EQUITABLE DEVELOPMENT INITATIVE FUNDING

The City’s purpose for [Equitable Development Initiative](http://www.seattle.gov/opcd/ongoing-initiatives/equitable-development-initiative) (EDI) funding 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](http://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/EquitableDevelopmentInitiative/EDIImpPlan042916final.pdf).

## 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 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 a](http://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/EquitableDevelopmentInitiative/EDIImpPlan042916final.pdf)nd the [Equitable](http://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/EquitableDevelopmentInitiative/EquitableDevelopmentFinancialStrategy.pdf)

[Development Financial Investment Strategies a](http://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/EquitableDevelopmentInitiative/EquitableDevelopmentFinancialStrategy.pdf)s 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 2024 Funding Available: $22 Million

**The current funding is only available for current EDI grantees with active projects**. For the context of this RFP, active projects is defined as EDI projects previously awarded EDI funding to support building capacity, land acquisition, or construction of an anti-displacement project. Funding will be prioritized for projects that anticipate moving to the next phase of development, particularly those with acceleration towards a completed project that will begin operation and enter the annual service provision and reporting period within two years of receipt of funding. Funding will not be considered for new projects or significant project scope expansion. We anticipate a future 2025 EDI RFP will be open to new applicants as well as to current grantees.

Funding will be allocated to two-year capacity-building efforts, capital and qualifying predevelopment expenses for existing projects that require additional funding support.

## EDI Values

* **Centering communities most impacted by displacement** – We value efforts that focus decision-making processes on 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.
* **Broad**-**based community development –** We value organizations that reflect the complexity of community needs such as: economic development, affordable housing, cultural development, education, healthcare, food sovereignty, etc.
* **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 EDI funding

* Organizations that are interested in applying for EDI funding are eligible to access capital funds as the project progresses, subject to the needs of their project and funding availability.
* Funding is limited to organizations/coalitions led by impacted communities, working on advancing economic and racial equity in communities at high risk of displacement.
* EDI funding is 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 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 funding broadly among communities that are impacted by displacement and historic disinvestment.
* EDI may recommend alternative funding strategies for projects that are able to access existing resources to maximize the amount available to communities. EDI funding is intended to complement existing funding sources and address gaps identified by communities in the resources available to them.

## Applicant Eligibility

EDI funding 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, EDI funding 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.

The 2024 EDI RFP is only open to existing EDI grantees with active projects. Funding will be prioritized for projects that anticipate moving to the next phase of development prioritizing acceleration towards a completed project that will begin operation and enter the annual service provision and reporting period within two years. Funding will not be considered for new projects or significant project scope expansion.

Receiving EDI funding is contingent on meeting program requirements and completing pre-contracting due diligence activities. EDI funds cannot be used for regular organization operations as awarded funds must be applied to developing the capacity for and completing the process of completing the capital project selected for funding in the recipient organization application.

Current grantees who have only received capacity-building funds may not apply only for a capacity building award. In addition to the Request for Proposals, applicants are encouraged to review the [*Implementation Plan*](http://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/EquitableDevelopmentInitiative/EDIImpPlan042916final.pdf)for guidance on the City’s priorities and vision for EDI.

## Applicant Minimum Criteria

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

1. Is the applicant incorporated as a nonprofit in the State of Washington?
2. If not, does the organization have a fiscal sponsor and does the fiscal sponsor limit sponsor fees to 10 percent of the funding award or less and have a clear strategy to support the organization’s long-term capacity-building work?
3. EDI may make exceptions where a for-profit organization can demonstrate extraordinary accountability to impacted communities and where requiring non-profit status or fiscal sponsorship would add unnecessary costs and inefficiency to the project.
4. The proposal must do work that primarily serves City of Seattle residents.
5. The applicant must be in good standing with any other open City of Seattle contracts, grants, and/or loans.
6. The project addresses at least three of the Equity Drivers from the *Implementation Plan*. Proposals should focus on only the **three** drivers that best fit the project concept.
7. Must be an active EDI project that anticipates moving to the next phase of development prioritizing acceleration towards a completed project that will begin operation and enter the annual service provision and reporting period within two years. Funding will not be considered for new projects or significant project scope expansion.

## Equity Drivers

The City’s purpose for EDI funding 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.

To assist applicants with interpreting the Equity Drivers, the [EDI website](http://www.seattle.gov/opcd/ongoing-initiatives/equitable-development-initiative) has project summaries of several EDI projects in development.

### 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.

## Funds Available

The Equitable Development Initiative has $22 Million in 2024 funding available for existing projects. Projects that do not use their funds and extend beyond the two-year period may be required to reapply for the remaining awarded funds to ensure that projects are still active.

**Note: EDI awards are not contracts. Successful applications will still need to negotiate specific contracts with OPCD before City funds will be expended.**

### Funding Caps

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|  | **Funding Cap** |
| Capacity-Building | $150,000 (two years of $75,000) |
| Capital | $3.5 million |

Applicants can request **both Capacity-Building and Capital awards** (up to $3.65 Million total).

## 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 strongly encouraged to include coalition partners in the uses of funding.

Regular organizational operating costs are not eligible expenses.

### Predevelopment:

Predevelopment funding requests must show a preliminary Sources and Uses budget for the overall development. EDI funding 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.

EDI may place disbursement restrictions on pre-development expenses prior to site control to help projects have resources to conduct initial due diligence while ensuring that there is a substantial commitment to the project site before additional funds are spent.

* Predevelopment funds should be incorporated into a request for acquisition or construction funds.

### Acquisition:

Acquisition financing is focused on land/property for non-residential uses. EDI funding 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. **EDI funding for acquisition of occupied spaces will likely trigger relocation requirements for both residential and commercial tenants that must be paid by the project.**

### Construction:

EDI funding may be used for hard construction costs. EDI funding may not be used to purchase Furnishings, Fixtures, or Equipment that are not integrated into the building function or items with a lifespan under 13 years. In mixed-use projects, construction financing is prioritized for non-residential uses. 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. **EDI funding for construction will likely trigger prevailing wage requirements that need to be anticipated in the construction cost estimate.**

### Underwriting Restrictions

1. Multiple applicants may apply for the same geography, but EDI staff may work with applicants to match-make organizations that share interests and priorities.
2. Staff will work closely with grantees to ensure awards are spent down within a two-year period. Awards not spent within a 2-year period will be re-evaluated to determine whether the award should remain active.
3. Capital requests should be in line with cost per unit and/or per square foot restrictions from other funders involved in the project budget.
4. EDI staff will coordinate with other public funders to ensure that proposals are not seeking duplicative funding for the same deliverables.
5. Approvals and final contracts may include conditions on funding to ensure the project meets legal requirements and adequately addresses potential risks to public funds.
6. 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.
7. EDI staff may impose restrictions or decline funding where risks and rewards in development partnerships are not equitably shared between partner organizations.
8. 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 funding.

# EDI 2024 Funding Round Review Process

Applications will be reviewed by OPCD staff to identify projects that meet the goals of the EDI Implementation Plan, which will provide a recommendation to the OPCD Director and the Mayor’s Office before final funding awards are announced. Eligible projects were previously evaluated for alignment with the overall EDI priorities and criteria in other rounds of open and competitive review processes.

# EDI 2024 Funding Round Timeline

1. **OUTREACH: ONGOING**
2. **REQUEST FOR PROPOSALS IS RELEASED: October 16, 2024**
3. **DEADLINE FOR QUESTIONS**: **November 4, 2024 at 5 pm.** Responses will be shared by COB on November 7th.
   * For questions about this RFP, please contact your project manager or [**PCD\_EDI\_RFP@seattle.gov**](mailto:PCD_EDI_RFP@seattle.gov)
4. **INFORMATION SESSIONS:**
   * Monday October 21st 12:15-1:00 PM: <https://seattle.webex.com/seattle/j.php?MTID=maf2d2bf778687e63017d1567a3c3eed2>
   * Thursday October 24th 2:00-2:45 PM: <https://seattle.webex.com/seattle/j.php?MTID=m6fbc3e187510a71a21c24a418975509f>
5. **APPLICATIONS ARE DUE: November 19, 2024**
   * All applications are received by **11:59 p.m.** Late submissions will not be accepted without pre-approval in writing from EDI staff.
6. **APPLICANTS ARE NOTIFIED: Approximately End of December 2024**
7. **CONTRACTS: January-April 2025**
8. **EVALUATION: ONGOING**

# Application Review

Projects that best meet the objectives of the Equitable Development Implementation Plan will be prioritized. Applications will be reviewed based on a system established by the work of [Social Justice Fund NW](http://www.socialjusticefund.org) but adapted for this EDI funding process. The review criteria, described below, includes questions in each section intended to help guide responses. Applicants are encouraged to review the questions as well as the [*Implementation Plan*](http://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/EquitableDevelopmentInitiative/EDIImpPlan042916final.pdf) for guidance.

# Scoring System

Each question will be scored on a scale from 1 (low score) to5 (high score). Review will take scoring into consideration alongside board and program priorities of geographic distribution, type of project, and communities served.

## Question 1: Not Scored

## Question 2: Not Scored

## Question 3: Not Scored

## Question 4: Not Scored

## Question 5: Capacity Building

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| **STRONG (deserves high score)** |  | **WEAK (deserves low score)** |
| Organization has clear outcomes and milestones associated with the 2025/2026 capacity building funds. | …Or… | Proposed capacity building does not proposed specific outcomes or milestones for funding. |
| Example: Capacity-building funds would support the development of a concept floor plan based on feedback from community members about desired uses. This will allow us to apply to the EDI program in 2024 for sites that meet the requirements of the floorplan. | …Or… | Example: Capacity-building will allow more engagement with community members. Our community has not been overlooked for capacity-building resources in the past and we need support to be able to have conversations about what priorities should be. |

## Question 6: Not scored

## Question 7:

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| **STRONG (deserves high score)** |  | **WEAK (deserves low score)** |
| 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. |
| Proposed 2025-2026 activities significantly advance project to next phase of development. | …Or… | Proposed 2025-2026 activities do not significantly advance project to next phase of development. |
| Applicant *can* provide detail speaking to their ability to spend funds in 2 years and supporting the proposed funding amount. | …Or… | Applicant *cannot* provide detail speaking to their ability to spend funds in 2 years and supporting the proposed funding amount. |
| Example for Land Acquisition:  w/PSA: We have established a PSA at 111 Best Site Ever Lane. The purchase price amount is $1.5M and we are requesting an additional $100,000 to cover estimated closing costs and due diligence. We believe this site will work for us because the square footage and layout is consistent with our current rental space. We expect that the next phase will require approximately $200,000 to complete improvements to allow occupancy.  w/out PSA: We have been looking at available properties in the Central District. Based on the space we’ve used for programming in the past, we are expecting to need approximately 10,000 sq.ft. of commercial space. We estimate that purchasing an appropriately sized lot would cost approximately $3M. We have approximately $100,000 raised that can help cover closing and due diligence costs as well as any required earnest money deposit. Once a viable property is acquired, the next step would be to find an affordable housing development partner to explore development of the site. | …Or… | We’d like $5,000,000 to acquire property. We’ve been doing work in the SE Seattle for many years and are feeling a lot of pressure from the market and may not be able to stay much longer. We would like to own our space so we don’t have to worry about being displaced. We believe $5M will be sufficient to find an appropriate location. |
| Example for Capital:  Construction Start: We’re requesting $400,000 to close the final gap in our project. The last construction bid included a significant inflation jump and we don’t have another funding source available to close that gap. The building permits are under review at SDCI and the project schedule anticipates construction starting in March 2024. The project budget already includes commercial prevailing wages so there will be no impact from using EDI funds for construction.  Construction End: We’re requesting $150,000 to include some of the cultural elements of our projects that had to be value-engineered during the construction process. These elements are important for the community to feel that the project belongs to use but inability to source materials during the construction process forced us to remove them from the contract to keep construction on track. The project contingency has been fully utilized and isn’t available for these uses and none of the other funders allow art as an eligible use for their funds. The elements will need to be fully funded by July 2024 or else they can’t be integrated into the site. | …Or… | We’re requesting $3M for a new childcare facility. The requirements from other funders are too onerous and so we’ve decided to apply to EDI first. We think that $3M should be sufficient to complete the facility. The next steps will be to use the capacity-building funds to hire an architect to design the space for us. |

## Question 8: Depth of relationship

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| **STRONG (deserves high score)** |  | **WEAK (deserves low score)** |
| Is the current proposal reflective of community engagement since the previous application? | …Or… | Was the proposal developed solely in the context of the EDI funding round? |
| The proposal contains a clear description of how the project will be accountable to and inclusive of community~~-~~ members? | …Or… | There is no formal structure for feedback or accountability within the proposal. |

## Question 9: Not Scored