Department of Commerce

Defense Community Compatibility Account (DCCA) 2019

Questions & Answers

These questions and answers are provided in the order in which they were received. Includes questions received through 9/16/2019

The following questions were emailed to gen.dial@commerce.wa.gov. Some edits may have been made to avoid project specific details in the original questions or to correct errors, otherwise questions are presented as submitted. Additional questions may be received through Sept. 27, 2019. Send questions to gen.dial@commerce.wa.gov

Questions through Sept. 16, 2019

1. **Question:** Can you clarify what you mean by infrastructure projects? Are environmental or endangered species projects considered infrastructure projects? What is meant by projects that support infrastructure near military installations?

   Answer: The Defense Community Compatibility Account is intended to address a suite of activities associated with incompatible development connected to Washington state military installations. For example, Substitute Senate Bill 5748 defines incompatible development as land development and military operations that impact the economy, environment, or quality of life opportunities for local communities.

   Eligible projects include those that address incompatibility concerns related to the environment. Specifically, the statute lists example projects that jointly assist in the recovery or protection of endangered species dependent on military installation property for habitat. In addition, SSB 5748 further states that eligible projects may include: property acquisition, affordable housing, economic development, and job replacement. See the enacting legislation for a detailed list of eligible projects.

2. **Question:** Are multiyear proposals accepted?

   Answer: Yes, project applications with multi-year proposals will be accepted. Projects will be evaluated in terms of their readiness to proceed, so projects that are ready to begin and have a clear path for implementation will score better during project evaluation. The application will need to indicate the proposed work plan and project milestones, including anticipated start and end dates, phases of implementation and any previous work completed.

The Washington state capital budget operates on a biennial timeframe therefore project appropriations end with each biennium. However, it is understood that many projects can take more than two years to implement and complete. Commerce may request re-appropriations for unspent project funds but there is no guarantee that the Legislature will agree to extend funding. Applicants should submit project proposals reflective of the feasible and appropriate timeline necessary to complete project activities associated with the funding requested. If projects are projected to extend beyond the end of the biennium, unspent funds will be need to be requested as a re-appropriation in the following biennium.

Please note that the DCCA project list will be submitted during the supplemental budget cycle, leaving only 1-year of the biennium for project funds to be spent.

3. **Question:** Is there a minimum match required? Will a specific match percentage be required?

   Answer: While match is required, there is not a minimum match or match percentage requirement. Please note that applications will be scored based on the amount of match secured and total leveraged funds available for the project. The application should include total state funds requested, and the total federal and local funds to be applied to the project. Funds secured, including other state or federal loans and grants, may be considered match.

4. **Question:** Can a project qualify if the main partnership is between the Navy and a local nonprofit, or must either the town or county government also be involved?

   Answer: Yes, a project will be considered eligible if the applicant is a nonprofit organization that has entered into an agreement with a military installation under the US DOD Readiness and Environmental Protection Integration Program (REPI). If the nonprofit organization interested in applying does not have this agreement, a local government would need to be the primary applicant for the project, with the nonprofit functioning as a subrecipient.

5. **Question:** Do applicants need matching federal (REPI? Or other?) funds to be eligible for this grant?

   Answer: Substitute Senate Bill 5748 states that both applicant and federal funds must be committed to the same purposes or project as any DCCA funding received. Project applications will be scored based on match and total leveraged funds, including local, applicant, and federal funds secured for the project. If federal funding has not yet been secured, applicants should list funding sources applied to, the total amount requested, and an anticipated date of funding award.

6. **Question:** How big is the program account for the coming application window? What is the maximum amount available per project?

   Answer: The Legislature did not allocate funds to the Defense Community Compatibility Account when it was created. Without specified funds available, Commerce cannot provide a

suggested funding cap. Project applications received will be prioritized and submitted to the Legislature for funding consideration. Please note that the DCCA project list will be submitted during a supplemental budget period, leaving only 1-year of the biennium for projects to be complete.

7. **Question:** What do non-state matching funds and in-kind costs include?

    Answer: Non-state funds may consist of cash on hand, previously expended, credit, documented pledge commitments, a legal commitment of funds from a governmental entity, the value of land acquired for the project, and in-kind contributions when properly documented.

    Examples of acceptable documentation of committed funds may include: a letter of credit or other binding loan commitment, board resolutions, copies of award letters, council appropriations, etc. The value of land used as a match must be supported by a recent appraisal performed by a certified professional appraiser.

    In-kind donations may be applied as match. Eligible donations include property, labor (except when donated by an applicant's paid staff), materials, or equipment as long as their value can be properly assessed and documented.

8. **Question:** What is the anticipated period of performance, both the length of time and the anticipated start date?

    Answer: If the Legislature awards project funding, the period of performance is set to begin when the Governor signs the supplemental budget. Pre contract conditions must be met before a contract can be executed, including cultural and environmental review, if applicable. Contracts must be executed within 6 months. The period of performance may extend until the end of the biennium. Commerce recognizes that projects may take more than 2 years to complete. If project activities extend beyond the biennium, include them in the application. Construction projects are expected to be completed within 4 years of contract execution. Please note that because the Washington state budget operates on a biennial basis, funding is dependent on re-appropriation after the close of a biennium.

9. **Question:** Will consideration be made to include match investments made in preparation for the "project" prior to the beginning of the period of performance?

    Answer: Yes, match may include eligible costs associated with project related expenses incurred as far back as July 1, 2016. Previous project investments considered for match must have been paid for with applicant funds.

10. **Question:** Phase 1 of the program states the call includes pilot projects. Will other types of projects be considered?

Answer: Yes, all project submittals that meet program requirements will be considered. The term pilot projects was used to explain that the initial application window is being conducted before the full program is developed. Commerce must provide the initial list of prioritized projects to the Legislature by Jan. 1, 2020, and in order to meet this deadline program implementation is being conducted in phases. Starting in 2020, the second phase will roll-out with broader and more extensive program development, including the formation of a stakeholder community advisory commission, and the development of permanent project ranking criteria. The second phase will fully implement all statutory elements in the establishing legislation, which may result in new evaluation procedures. Future biennial project submittals will be conducted with complete programmatic development, making this round of projects initial or pilot in nature, as they are the first to go through the program.

11. **Question:** Is there a date that funds need to be spent by? How long before the funds expire?

    Answer: Awarded funds must be used within the biennium. Funds expire at the close of the biennium, June 30, 2021. Any unspent funds would need to be re-appropriated with the next biennial budget.

12. **Question**: Is it advantageous to break a big project into smaller individual projects, or submit it as one project.

    Answer: Applicants are allowed to submit more than one project. It is up to the applicant to determine if the project is best suited to be grouped together as one project, broken into phases, or submitted as individual projects. Please note that any projects submitted separately will be subject to the full evaluation process and will be ranked individually.

13. **Question:** Often State funding requires Growth Management Act compliance. This means projects need to be in an approved Six Year Capital Program. For a project to be eligible, does it need to be included in a Six Year Capital Program?

    Answer: This program does not call out GMA compliance specifically, but it is implied through a request for evidence to demonstrate that local plans align with project objectives. For example, a capital facilities plan is requested in evaluation category 3: Need and Priority and Project Readiness. In this category, projects are evaluated on demonstrated need and priority. Capital facility plans are one of the documents requested to show that the project aligns with community goals and meets the jurisdictions needs and priorities. If a plan were out of date, or did not include the project, it may not receive a high score in this evaluation category.