

Middle Housing Grants and Working with Community-Based Organizations

The middle housing grantee planning work should include meaningful public participation and community discussion on housing needs and racially disparate impacts (RDI), with a focus on equitable, inclusive, and fair outcomes. The grant funding encourages recipients to “*subcontract with multiple community-based organizations that represent different vulnerable populations in overburdened communities, as defined in RCW 70A.02.010, that have traditionally been disparately impacted by planning and zoning policies and practices.*”

This guidance is provided to help middle housing grantees seek out and invite participation from community-based organizations (CBO) representing those with **lived experience**¹ and who have been disparately impacted by planning and zoning policies and practices.

What is a community-based organization (CBO)?

CBO's have a primary mission of improving a community's social health, well-being, and overall functioning. CBOs may include a locally-established entity, representative of a community (or significant segments of a community), which provides educational or other related basic human services. (Examples of CBOs include Africatown Seattle, Compass Housing Alliance, and HomeSight.)

CBOs work closely within their community and are better able to identify the needs of the people they represent. A hallmark of CBOs is that the organization is culturally based, directed, and substantially controlled by individuals from the population it serves.

A CBO may be organized:

- Geographically
- Psychosocially
- Culturally
- Spiritually or
- Be a digitally-bounded community.

CBO's are often organized as a private non-profit 501(c)(3) organization; however, this is not a requirement of the middle housing grant. Jurisdictions should contact Commerce to verify whether an organization qualifies as a CBO.

¹ Lived experience means they have direct personal experience in the subject matter being addressed through grant activities, or are low income, meaning their income is not more than 400% of the federal poverty level, adjusted for family size.

How middle housing grants can contract with CBOs

Cities that receive grant funding for work with CBOs must formalize the relationship with a contract. (Purchase orders are acceptable if it is a legally enforceable agreement that contains all of the terms and conditions required of the CBO).

The contract between the jurisdiction and the CBO should follow the applicable contracting policies and requirements used by the local jurisdiction. A representative of the CBO who has applicable signature authority must sign the contract on behalf of the CBO. If the jurisdiction does not have such contracting policies and requirements, then we recommend that you have an internal discussion to see if such policies and requirements should first be in place.

Sample policies and forms used by other organizations may be found on the Commerce Middle Housing Program [EZ View site](#); other policy considerations are provided at the end of this document.

The Commerce grant contract identifies the maximum funding amount available for CBO contracting. Generally, Commerce anticipates a city will contract with each CBO for approximately \$2,000. However, higher or lower amounts may be appropriate depending on the scope and intensity of the CBO outreach.

To receive payment for CBO work from the Department of Commerce, grantees should submit deliverables as follows.

1. **Contract:** After a contract between the grantee and CBO is signed, it may be submitted to Commerce along with an A-19 invoice for up to 50% of the total contracted amount. Commerce is unable to pay for CBO services without a copy of the contract between the jurisdiction and the CBO.
2. **Reporting:** Commerce expects that the contract between the local jurisdiction and CBO will require reporting on how the money was used along with specific outcomes. This report need not meet any specific format but should reflect the jurisdictions' fiscal policies and should maintain privacy of participants.

Reports may include: listing of stipend recipients using unique identifiers and amounts, meeting notes, documentation of food, supply, rental, childcare and travel expenses, notices of events (e.g. electronic version of posters/announcements), pictures of events documenting the date of the event and number of participants etc.

3. **Final invoice:** After contracted engagement activities are completed, grantees may submit any reporting documentation along with an invoice for any remaining funds. Commerce will then distribute the remainder of the funds intended for contracting with the CBO to the local jurisdiction. Though the grant-funded phase of engagement may be complete, it is envisioned that the jurisdiction's relationship with the CBO will extend beyond the terms of the middle housing grant.
4. **Reportable Expense Form:** Any invoice submitted to Commerce should include a Reportable Expense Form that you will get from Commerce. This helps us identify state funds that go towards women and minority owned businesses.

Other Policy Considerations

Example expenditures

A guiding principle for whether or not the use of CBO funds meets the intent of the middle housing grant program is whether funds are getting directly to a population that has been negatively impacted by historical planning practices. Use of funds may include, but are not limited to: direct stipends, translation services, childcare, room rental, travel and meals for community meetings, healing circles related to racially disparate impacts, CBO surveys on RDI or housing topics, etc.

There is no penalty if a jurisdiction is unable to spend down all CBO funds contracted with Commerce. Also, jurisdictions finding that additional grant funds can create additional meaningful engagement opportunities may submit a request to Commerce for additional CBO funding through a contract amendment.

Provided that the contract complies with the local jurisdiction's contracting requirements, then the CBO should have control over its outreach format, time and outcomes. Jurisdictions should make every effort to approve proposed CBO outreach and engagement ideas, recognizing that CBOs are the experts of engaging the population they serve.

Who should receive stipends

Stipends should be available for participating individuals who:

1. Are not otherwise compensated (for time or expenses) for their participation, or who must forfeit wages under their current employment to participate, in grant activities; AND
2. Have **lived experience**, meaning they have direct personal experience in the subject matter being addressed through grant activities, OR are low income, meaning their income is not more than 400% of the federal poverty level, adjusted for family size.

Your adopted policy should state that the payment of a stipend, lodging and travel expenses, or child or adult care expenses does not create an employment relationship, or any membership or qualification in any state or other publicly supported retirement system.

Practices from other jurisdictions

- The Internal Revenue Service (IRS) requires that you send a 1099-MISC form to a participant if they receive stipends that total **\$600 or more in a calendar year**. This form helps the IRS track certain types of miscellaneous compensation for tax purposes. The 1099-MISC form should be sent in the mail by the end of January the following calendar year.
- While some jurisdictions have hosted a competitive process to subcontract with CBOs, this is generally more burdensome and eliminates some groups from participating.
- **Clear expectations** for CBOs should be mapped out in any locally adopted policy including rates of compensation, stipend payment processes, and how the CBO will report to the jurisdiction.
- Each CBO should be required to submit a budget indicating how funds are spent and tracked.

- Seattle shared the following lesson learned from its program: without exception, all CBOs submitted budgets that reserved a portion of their funds for payments for their participants. Community compensation is submitted via invoice as if it were any other line item such as gas, materials, food, etc. This **allows the CBO to set the rate and method of compensation** (cash, checks, gift cards, culturally appropriate grocery bags, etc.) based on their understanding of the appropriate rate and method for their given community.