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## HOUSE BILL 1080

By Representatives Sump, Buri, Grant, Walsh, Armstrong, Haler, Kretz, Condotta, B. Sullivan and Dunn

60th Legislature

2007 Regular Session

Read first time 01/10/2007. Referred to Committee on Community & Economic Development & Trade.

AN ACT Relating to community revitalization partnerships in distressed counties; adding a new chapter to Title 43 RCW; making appropriations; providing an effective date; and providing an expiration date.

## 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. INTENT--FINDINGS. The legislature finds that the economic health and well-being of the state is of substantial public concern, particularly in those geographic areas that lack employment opportunities, well-maintained public infrastructure, safe and affordable housing, and adequate facilities for delivering public safety, health, and social services. Economic stagnation, poverty, persistent unemployment, and underemployment threaten the self-sufficiency and quality of life of area residents, decrease the value of private investments, and jeopardize sources of public revenue. The legislature therefore declares there to be a substantial public purpose in targeting, on a pilot basis, state resources to communities with the greatest need in order to help them achieve locally determined economic opportunities and sustainable community development.

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NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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- (1) "Baseline condition" means a measurable condition or problem for which benchmark goals have been established for improvement.
- (2) "Benchmark goal" means a measurable goal targeted for achievement in a strategic plan.
- (3) "Demonstration project" means the five star enterprise community program in Ferry, Stevens, and Pend Oreille counties, the Colville and Spokane Indian reservations, and the Kalispel developable site.
- 12 (4) "Department" means the department of community, trade, and 13 economic development.
- 14 (5) "Director" means the director of the department, or the 15 director's designee.
  - (6) "Lead managing entity" means a local entity that will administer and be responsible for the implementation of the strategic plan. Lead managing entities may include, but are not limited to, nonprofit community-based organizations or regional planning agencies with the authority to receive public funds to promote community and economic revitalization.
  - (7) "Partner community" means a community in a rural economically distressed area that works with the lead managing entity to implement the strategic plan and projects in the community revitalization partnership pilot program.
  - (8) "Poverty rate" means the poverty rate for a given census tract as reported by the bureau of the census in the most recent United States decennial census.
- 29 (9) "Program" means the community revitalization partnership pilot 30 program.
- 31 (10) "Project" means a locally determined series of actions 32 designed to result in economic opportunities and sustainable community 33 development in a targeted geographic area.
  - (11) "Rural area" means an area located in a county with a population density of fewer than one hundred persons per square mile as determined by the office of financial management.
- 37 (12) "Strategic plan" means a plan for achieving benchmark goals 38 evidencing improvement over identified baseline conditions, developed

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- 1 with the participation and commitment of community members, private
- 2 sector, local governments, tribal governments, state government, and
- 3 others.

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- 4 <u>NEW SECTION.</u> **Sec. 3.** PROGRAM GOALS AND RESPONSIBILITIES. (1) A
- 5 community revitalization partnership program is created on a pilot
- 6 basis to enable the state's most economically distressed areas to plan
- 7 and carry out comprehensive, locally determined projects designed to
- 8 result in sustainable community development and economic opportunities.
- 9 The program shall emphasize local decision making, grassroots
- 10 participation, and community partnerships, as well as accountability
- 11 and leveraging of public and private sector resources to accomplish
- 12 priority projects.
  - (2) Projects may include:
- 14 (a) Constructing infrastructure;
- 15 (b) Retaining, expanding, and diversifying businesses and jobs;
- 16 (c) Developing safe and affordable housing;
- 17 (d) Providing health, public safety, social, and youth services;
- 18 (e) Creating accessible cultural, artistic, and recreational 19 facilities, equipment, and services for residents and tourists; and
- 20 (f) Providing youth leadership, educational, entrepreneurial, and 21 workforce training opportunities.
  - (3) Each community revitalization partnership shall include partner communities and a lead managing entity. The legislature intends that partner communities and the lead managing entity have primary decision-making authority and accountability in carrying out the strategic plan and projects.
  - (4) The partner communities and lead managing entity shall have the following responsibilities:
- 29 (a) Developing a strategic plan for the rural economically 30 distressed area and updating it on a biennial basis;
  - (b) Creating a work plan on a biennial basis that identifies and recommends for funding diverse projects that are consistent with the strategic plan and are important to the partner communities;
- 34 (c) Identifying and applying for financial and technical assistance 35 for projects from public and private sources at the federal, state, and 36 local levels;

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1 (d) Allocating funding for approved projects among partner 2 communities;

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- (e) Implementing the strategic plan and locally driven projects;
- (f) Accounting to the department and all other funding sources the expenditure of cash and in-kind resources;
- (g) Working with the department to develop program performance measures, evaluate projects, and communicate the results and recommendations for program improvement to the legislature; and
- (h) Encouraging participation by a cross-section of area residents, businesses, and community organizations in developing and implementing the strategic plan and projects.
  - (5) The department has the following responsibilities:
- (a) Identifying areas that are eligible to apply for designation as community revitalization partnerships, soliciting and evaluating applications from them, and designating up to five areas for pilot program participation;
- (b) Contracting with the lead managing entity in each designated area to formalize financial, legal, procedural, participation, and other program requirements;
- (c) Subject to the availability of amounts appropriated for this specific purpose, providing core funding to the lead managing entity for its use in program administration and for allocation to partner communities as seed money for priority projects;
- (d) Performing compliance checks on projects and funding as recommended by the lead managing entity and partner communities, and give final approval to proceed; and
- (e) Consulting with and utilizing the expertise of the lead managing entity and partner communities to develop performance measures, evaluate projects, and communicate the results and recommendations for program improvement to the legislature.
- 31 <u>NEW SECTION.</u> **Sec. 4.** ELIGIBILITY AND APPLICATION PROCESS. (1) 32 The department shall conduct a competitive application process to
- 33 designate up to five community revitalization partnerships statewide.
- 34 Applications must be submitted by a lead managing entity on behalf of
- 35 eligible partner communities in the form and manner and containing such
- 36 information as this chapter and the department may prescribe.

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- 1 (2) To be eligible to apply for designation as a community 2 revitalization partnership, a rural area must:
  - (a) Have a population of less than thirty thousand;
  - (b) Contain one thousand square miles or less, except that land owned by the federal, state, or local government may be excluded in determining the square mileage of an area;
  - (c) Have a poverty rate of no less than seventeen percent in all census tracts within the area and no less than nineteen percent in at least ninety percent of the census tracts within the area; and
  - (d) Be in a rural area that exhibits other evidence of pervasive poverty, unemployment, and general distress such as low-income population, dependence upon public assistance, high unemployment rates, job loss, plant closures, out-migration, high crime incidence, abandoned housing stock, and deteriorated infrastructure.
    - (3) An application must include:
    - (a) Documentation demonstrating that the rural area is eligible for the program and describing existing baseline conditions that require improvement; and
      - (b) A strategic plan that addresses:
      - (i) The current economic and social conditions of the rural area;
- 21 (ii) The participants in the community revitalization pilot 22 program;
- 23 (iii) The vision of the future for the rural area including goals 24 and strategies;
- 25 (iv) A work plan and budget;
  - (v) The organizational structure of the partnership; and
- 27 (vi) Whether the community revitalization program will:
- 28 (A) Be technically feasible;
- 29 (B) Serve the represented communities;
- 30 (C) Be ready to start;

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- 31 (D) Build local capacity;
- 32 (E) Develop leadership;
- 33 (F) Have a positive impact on the communities;
- 34 (G) Leverage funding from other sources;
- 35 (H) Create and/or maintain jobs;
- 36 (I) Build infrastructure; and
- 37 (J) Involve other partners.

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1 (4) The director shall designate up to five community 2 revitalization partnerships after assessing the applications received 3 on the following factors:

- (a) The severity of economic distress, as measured by documentation of pervasive poverty, unemployment, and general distress;
- (b) The likelihood that the proposed strategic plan and projects will achieve benchmark goals and improve baseline conditions;
- (c) The degree of grassroots community involvement and local partnerships in developing and carrying out the strategic plan and projects;
  - (d) Demonstration of leveraging of public or private funds, including in-kind match, committed to projects in the plan; and
  - (e) Demonstrated experience and record of accomplishments by the lead managing entity and partner communities.
  - (5) In addition to a competitive process, one demonstration project, as defined in section 2(3) of this act, shall be provided to assist in determining the feasibility of the community revitalization partnership pilot program. Notwithstanding subsections (1) through (4) of this section, the department shall approve this demonstration project before approving any other application.
- (6) The demonstration project and each of the competitively designated community revitalization partnerships are expected to participate in the pilot program for ten years. To ensure that the program retains flexibility to respond to changing economic conditions, the department shall, every four years, assess for each rural area in the program the key economic factors contained in section 4(2) of this act. If the department finds that conditions have either declined or improved significantly in any of the geographic areas contained within the community revitalization partnership, the department may consider the evidence, consult with the lead managing entity and partner communities, and either remove areas that have improved or add areas that have declined.
- (7) Each community revitalization partnership designated shall receive an equal share of the state funding, exclusive of the administrative funds earmarked for the department. The director must designate the community revitalization partnerships no later than September 30, 2008. Awards to designated areas must take effect January 1, 2009.

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NEW SECTION. Sec. 5. STATE PROGRAM PREFERENCE. Each community revitalization partnership is entitled to receive annual core funding from the department as provided in section 3(5)(c) of this act. In addition, each community revitalization partnership shall be given preference by any state program to which it applies for support, whether within or outside the department. State programs shall provide this preference either by awarding additional points in the evaluation process to community revitalization partnerships or by setting aside for them a designated portion of the total funds available.

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- NEW SECTION. Sec. 6. REPORTS TO LEGISLATURE. The department, lead managing entities, and partner communities shall prepare a joint report regarding the results of the pilot program in this chapter and make recommendations for statutory changes to the appropriate committees of the legislature by January 1, 2010, and every two years thereafter.
- NEW SECTION. Sec. 7. CAPTIONS NOT LAW. Captions used in this chapter are not any part of the law.
- NEW SECTION. Sec. 8. The legislature intends that the community revitalization partnership pilot program be funded by the legislature in the amount of eight hundred fifty thousand dollars each year beginning with fiscal year 2010 and ending with fiscal year 2018.
- NEW SECTION. Sec. 9. EXPIRATION OF CHAPTER. This chapter expires December 31, 2018.
- NEW SECTION. Sec. 10. Sections 1 through 9 of this act constitute a new chapter in Title 43 RCW.
- NEW SECTION. Sec. 11. (1) The sum of fifty thousand dollars, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2008, from the general fund to the department of community, trade, and economic development for the purposes of this act. This amount may be used by the department solely for agency and program administration.

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(2) The sum of three hundred sixty-two thousand five hundred dollars, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2009, from the general fund to the 3 department of community, trade, and economic development for the purposes of this act. No more than one hundred thousand dollars of this amount may be used by the department for agency and program 7 administration.

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- NEW SECTION. Sec. 12. The sum of four hundred eighty-seven 8 thousand five hundred dollars, or as much thereof as may be necessary, 9 10 is appropriated for the fiscal year ending June 30, 2009, from the 11 state building construction account to the department of community, 12 trade, and economic development for the purposes of this act.
- 13 NEW SECTION. Sec. 13. This act takes effect January 1, 2008.
- 14 NEW SECTION. Sec. 14. If any provision of this act or its application to any person or circumstance is held invalid, the 15 16 remainder of the act or the application of the provision to other persons or circumstances is not affected. 17

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