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**HOUSE BILL 1370**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Representatives Callan, Shewmake, Davis, Ramos, Leavitt, Duerr, Senn, Wicks, Chopp, Bateman, Kloba, Macri, Ramel, Harris-Talley, Pollet, Rule, and Goodman

AN ACT Relating to early learning facilities; amending RCW 43.31.577, 43.31.565, and 43.185.050; adding a new section to chapter 43.31 RCW; and providing a contingent effective date.

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

**Sec.**  RCW 43.31.577 and 2017 3rd sp.s. c 12 s 8 are each amended to read as follows:

(1) Activities eligible for funding through the early learning facilities grant and loan program for eligible organizations include:

(a) Facility predesign grants or loans of no more than ((~~ten thousand dollars~~)) $20,000 to allow eligible organizations to secure professional services or consult with organizations certified by the community development financial institutions fund to plan for and assess the feasibility of early learning facilities projects or receive other technical assistance to design and develop projects for construction funding;

(b) Grants or loans of no more than ((~~one hundred thousand dollars~~)) $200,000 for minor renovations or repairs of existing early learning facilities or for predevelopment activities to advance a proposal from planning to major construction or renovation; ((~~and~~))

(c) Major construction and renovation grants or loans and grants or loans for facility purchases of no more than ((~~eight hundred thousand dollars~~)) $1,000,000 to create or expand early learning facilities; and

(d) Administration costs associated with conducting application processes, managing contracts, and providing technical assistance.

(2) Activities eligible for funding through the early learning facilities grant and loan program for school districts include major construction, purchase, and renovation grants or loans of no more than ((~~eight hundred thousand dollars~~)) $1,000,000 to create or expand early learning facilities that received priority and ranking as described in RCW 43.31.581.

(3) ((~~Beginning July 1, 2018, amounts~~)) Amounts in this section must be increased annually by the United States implicit price deflator for state and local government construction provided by the office of financial management.

NEW SECTION. **Sec.**  A new section is added to chapter 43.31 RCW, to be codified between RCW 43.31.567 and 43.31.583, to read as follows:

(1) Subject to the availability of amounts appropriated from the fair start for kids account created in RCW 43.216.--- (section 101, chapter . . . (House Bill No. 1213), Laws of 2021) for this specific purpose, the department shall award start-up grants to eligible organizations as described in RCW 43.31.575 who provide or commit to providing the early childhood education and assistance program or working connections child care.

(a) To be eligible for grants under this section, the organization must commit to being an active participant in good standing with the early achievers program as described in chapter 43.216 RCW. Start-up grants are limited to one grant per location per eligible organization. After receiving a start-up grant and upon enrollment in the early achievers program, the site must continue to be an active participant in good standing with the early achievers program as described in chapter 43.216 RCW for at least five years.

(b) Start-up grant funds provided under this section must be used for one-time start-up costs associated with the start up of a new child care or early childhood education and assistance program site. Eligible uses of grant funds include the purchase of equipment, supplies, fixtures and furnishings, dual language programming, and the cost of other goods and services associated with operations that are necessary to meet foundational quality standards for early learning programs as established by the department of children, youth, and families.

(2) The department shall adopt rules to implement this section. When developing rules for start-up grants, the department must use the child care cost estimate model developed pursuant to section 6, chapter 368, Laws of 2019 to inform the start-up grant parameters.

**Sec.**  RCW 43.31.565 and 2017 3rd sp.s. c 12 s 3 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout ((~~chapter 12, Laws of 2017 3rd sp. sess.~~)) RCW 43.31.567 through 43.31.583:

(1) "Department" means the department of commerce.

(2) "Director" means the director of commerce.

(3) "Early learning facility" means a facility providing regularly scheduled care for a group of children one month of age through twelve years of age for periods of less than twenty-four hours.

**Sec.**  RCW 43.185.050 and 2018 c 223 s 4 are each amended to read as follows:

(1) The department must use moneys from the housing trust fund and other legislative appropriations to finance in whole or in part any loans or grant projects that will provide housing for persons and families with special housing needs and with incomes at or below fifty percent of the median family income for the county or standard metropolitan statistical area where the project is located. At least thirty percent of these moneys used in any given funding cycle must be for the benefit of projects located in rural areas of the state as defined by the department. If the department determines that it has not received an adequate number of suitable applications for rural projects during any given funding cycle, the department may allocate unused moneys for projects in nonrural areas of the state.

(2) Activities eligible for assistance from the housing trust fund and other legislative appropriations include, but are not limited to:

(a) New construction, rehabilitation, or acquisition of low and very low-income housing units;

(b) Rent subsidies;

(c) Matching funds for social services directly related to providing housing for special-need tenants in assisted projects;

(d) Technical assistance, design and finance services and consultation, and administrative costs for eligible nonprofit community or neighborhood-based organizations;

(e) Administrative costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's access to housing funds other than those available under this chapter;

(f) Shelters and related services for the homeless, including emergency shelters and overnight youth shelters;

(g) Mortgage subsidies, including temporary rental and mortgage payment subsidies to prevent homelessness;

(h) Mortgage insurance guarantee or payments for eligible projects;

(i) Down payment or closing cost assistance for eligible first-time home buyers;

(j) Acquisition of housing units for the purpose of preservation as low-income or very low-income housing;

(k) Projects making housing more accessible to families with members who have disabilities; and

(l) Remodeling and improvements as required to meet building code, licensing requirements, or legal operations to residential properties owned and operated by an entity eligible under RCW 43.185A.040, which were transferred as described in RCW 82.45.010(3)(t) by the parent of a child with developmental disabilities.

(3) Preference must be given for projects that include an early learning facility, as defined in RCW 43.31.565.

(4) Legislative appropriations from capital bond proceeds may be used only for the costs of projects authorized under subsection (2)(a), (i), and (j) of this section, and not for the administrative costs of the department.

(5) Moneys from repayment of loans from appropriations from capital bond proceeds may be used for all activities necessary for the proper functioning of the housing assistance program except for activities authorized under subsection (2)(b) and (c) of this section.

(6) Administrative costs associated with application, distribution, and project development activities of the department may not exceed three percent of the annual funds available for the housing assistance program. Reappropriations must not be included in the calculation of the annual funds available for determining the administrative costs.

(7) Administrative costs associated with compliance and monitoring activities of the department may not exceed one-quarter of one percent annually of the contracted amount of state investment in the housing assistance program.

NEW SECTION. **Sec.**  Section 2 of this act takes effect if chapter . . . (House Bill No. 1213), Laws of 2021 is enacted by the effective date of this section.

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