

HOUSE BILL REPORT

HB 1918

As Passed Legislature

Title: An act relating to community preservation and development authorities.

Brief Description: Concerning community preservation and development authorities.

Sponsors: Representative Santos.

Brief History:

Committee Activity:

Housing, Community Development & Veterans: 2/19/19, 2/20/19 [DP].

Floor Activity:

Passed House: 3/9/19, 96-0.

Passed Senate: 4/13/19, 45-0.

Passed Legislature.

Brief Summary of Bill

- Establishes the purposes for which a Community Preservation and Development Authority (CPDA) must be formed.
- Modifies the process by which a CPDA and its initial board of directors is established.
- Authorizes the Central District CPDA within the city of Seattle.

HOUSE COMMITTEE ON HOUSING, COMMUNITY DEVELOPMENT & VETERANS

Majority Report: Do pass. Signed by 7 members: Representatives Ryu, Chair; Morgan, Vice Chair; Jenkin, Ranking Minority Member; Barkis, Frame, Leavitt and Reeves.

Minority Report: Without recommendation. Signed by 1 member: Representative Gildon, Assistant Ranking Minority Member.

Staff: Cassie Jones (786-7303).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Community Preservation and Development Authorities.

Residents, property owners, employees, or business owners of an impacted community may propose formation of a Community Preservation and Development Authority (CPDA). The proposal must be presented in writing to the appropriate committees of the Legislature and must contain proposed general geographic boundaries of the CPDA. Proposals submitted after January 1, 2008, must identify one or more stable revenue sources that:

- have a nexus with the multiple publicly funded facilities that have adversely impacted the community; and
- can be used to support future operating or capital projects that will be identified in the strategic plan.

A CPDA must be authorized by statute. The Legislature must make the following findings before authorizing a CPDA in statute:

- the area within the proposal's geographic boundaries is an impacted community;
- the persons who brought forth the proposal are members of the community; and
- the community has identified one or more stable revenue sources.

The affairs of a CPDA are managed by a board of directors with members consisting of representatives from specified groups. A list of candidates for the initial board of directors is created by the state legislative delegation and those proposing the authority. The community then elects board members from that list. The board of directors creates a list of candidates for subsequent boards and the community elects members from that list.

Powers and Duties of a Community Preservation and Development Authority.

A CPDA has the power to:

- accept gifts, grants, loans, or other aid from public or private entities;
- employ and appoint such agents, attorneys, officers, and employees as may be necessary to implement the purposes and duties of an authority;
- contract and enter into partnerships with individuals, associations, corporations, and local, state, and federal governments;
- buy, own, lease, and sell real and personal property;
- hold in trust, improve, and develop land;
- invest, deposit, and reinvest its funds;
- incur debt in furtherance of its mission; and
- lend its funds, property, credit, or services for corporate purposes.

A CPDA has the duty to:

- establish specific geographic boundaries for the authority within its bylaws based on the general geographic boundaries established in the proposal approved by the Legislature;
- solicit input from members of its community and develop a strategic preservation and development plan to restore and promote the health, safety, and economic well-being of the impacted community, and to restore and preserve its cultural and historical identity;
- include within the strategic plan a prioritized list of projects identified and supported by the community, including capital or operating components;
- establish funding mechanisms to support projects and programs identified in the strategic plan including, but not limited to, grants and loans;

- use gifts, grants, loans, and other aid from public or private entities to carry out projects identified in the strategic plan; and
- demonstrate ongoing accountability for its actions by:
 - reporting to the appropriate committees of the Legislature, one year after formation and every biennium thereafter;
 - reporting any changes in the authority's geographic boundaries to the Legislature;
 - convening a local town hall meeting with its constituency on an annual basis; and
 - maintaining books and records as appropriate for the conduct of its affairs.

Summary of Bill:

A CPDA must have one or more of the following purposes:

- to revitalize, enhance, and preserve the unique character of impacted communities;
- to mitigate the adverse effects of multiple major public facilities projects, public works projects, or capital projects with significant public funding, a secure community transition facility as defined in RCW 71.09.020, or other land use decisions;
- to restore a local area's sense of community;
- to reduce the displacement of community members and businesses;
- to stimulate the community's economic vitality;
- to enhance public service provisions;
- to improve the standard of living of community members; or
- to preserve historic buildings or areas by returning them to economically productive uses that are compatible with or enhance their historic character.

The following definitions apply to establishment of CPDAs:

- "Community" means a group of people who reside or work in the geographic area established by the CPDA board or the proposal to create the authority and who currently or historically share a distinct cultural identity or local history.
- A "community preservation and development authority" or "authority" means an authority created by members of an impacted community.
- "Constituency" means the general membership of the CPDA, which membership must be open to all persons 18 years of age and over who are residents, property owners, employees, or business persons within the geographic boundaries established by the authority or the proposal to create the authority.
- "Impacted community" means a community that has been adversely impacted by the construction of, or ongoing operation of, multiple major public facilities, public works, and capital projects with significant public funding or by other land use decisions.
- "Major public facilities project, public works project, or capital project with significant public funding" means any capital project whose total cost exceeds \$10 million.

Proposals for the creation of a CPDA presented after January 1, 2020, rather than 2008, must identify one or more stable revenue sources that have a nexus with multiple publicly funded

facilities or other land use decisions that adversely impacted the community and can be used to support future operating or capital projects.

The initial board of directors of a CPDA is selected by a committee comprised of the state legislative delegation and those proposing formation of the authority rather than by election.

The Central District CPDA is established. Its boundaries are those contained in the Central District in Seattle.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The thirty-seventh district is one of the most diverse districts in the entire nation. The diversity of this district came about as a result of redlining and segregation. The district developed rich, culturally diverse communities that are now threatened by gentrification. Long-time residents are being priced out of the area by rising property values. Homeownership rates among African Americans in the Central District have greatly decreased. Local cultural institutions in the Central District are threatened and those who have been displaced by gentrification must travel many miles to visit these cultural institutions. The bill recognizes that there is a statewide benefit to preserving and restoring these communities.

The CPDA created in this bill would be the second of its kind. It would manage a state-owned asset, the Seattle Vocation Institute (SVI). The SVI would be transferred from the community college responsible for it to the Central District CPDA. The building is deteriorating and the community college is not able to pay the costs associated with building maintenance. A number of programs and groups want to be housed in the SVI; these leases will generate revenue for the Central District CPDA. Areas around the SVI may be developed for affordable housing and the SVI could become a location for programs for future residents.

There are small changes that could be made to improve the bill, including increasing the tenure of board members, allowing staff to be eligible for the public employee benefit board, and allowing greater flexibility around the groups that board members represent. These changes will improve board leadership and stability.

(Opposed) None.

Persons Testifying: Representative Santos, prime sponsor; Eddie Rye Jr., Lynn French, Samuel Berry, McKinney Coalition; Steve Leahy, Seattle Colleges; Kathleen Johnson, Historic South Downtown; Wren Wheeler, Pioneer Square-International District Cultural Preservation Development Authority; and Lawrence Willis.

Persons Signed In To Testify But Not Testifying: None.