

# SENATE BILL REPORT

## HB 1918

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As Passed Senate, April 13, 2019

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

**Brief Description:** Concerning community preservation and development authorities.

**Sponsors:** Representative Santos.

**Brief History:** Passed House: 3/09/19, 96-0.

**Committee Activity:** Local Government: 3/21/19, 3/26/19 [DP].

**Floor Activity:**

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

### Brief Summary of Bill

- Adds definitions to clarify what a Community Preservation and Development Authority (CPDA) is.
- Adds that proposals for CPDAs after 2020 may include a revenue source with a nexus to land use decisions as well as publicly funded facilities.
- Changes the way the initial board of a newly created CPDA is formed—from a list of candidates submitted by a legislative delegation to direct appointment by that delegation.
- Authorizes the formation of a Central District CPDA within the city of Seattle.

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### SENATE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass.

Signed by Senators Takko, Chair; Salomon, Vice Chair; Short, Ranking Member; Honeyford and Lovelett.

**Staff:** Bonnie Kim (786-7316)

**Background:** Community Preservation and Development Authorities. Residents, property owners, employees, or business owners of an impacted community may propose formation of a CPDA. The proposal must be presented in writing to the appropriate committees of the

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*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.*

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. 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:

1. reporting to the appropriate committees of the Legislature, one year after formation and every biennium thereafter;
2. reporting any changes in the authority's geographic boundaries to the Legislature;
3. convening a local town hall meeting with its constituency on an annual basis; and
4. 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, 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 eighteen 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; and
- "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.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: In 2007, the Governor vetoed the intent and a definition section of the original enacting legislation. This bill creates a state agency to steward a state-owned asset. The central area of Seattle is a historical and significant area. The Seattle Vocational Institute is in great disrepair with over \$26 million in deferred maintenance costs. This community is seeking to restore this very historically significant building. The McKinney Coalition represents a very large constituency and is active in our community. In 1991, SOIC needed a new steward and SVI was appointed. Maintenance has been insufficient and mainly tuition-supported. This effort represents the work of several partners representing a broad base of constituents. It is important to preserve this building in accordance with the original intent.

OTHER: We want to make sure we have a community development authority that is comprised of the very best people. However, the Legislature is disconnected and removed from the community. This bill should return the vote of initial board members to the community just as Pioneer Square had it. The work of the SVI has not been representative of other cultural organizations in our community. It is very important that the constituent vote which is stricken from the bill be restored to ensure the future of our community.

**Persons Testifying:** PRO: Representative Sharon Tomiko Santos, Prime Sponsor; Eddie Rye Jr., McKinney Coalition; Steve Leahy, Director, Government Relations, Seattle Community Colleges; Lynn French, Business Development, LLC.

OTHER: Dawn Mason, Former State Representative 37th; K. Wyking Garrett, Africatown Central District Preservation & Development Association.

**Persons Signed In To Testify But Not Testifying:** No one.