
**Community & Economic
Development & Trade Committee**

HB 1441

Brief Description: Creating the joint legislative community development fund committee.

Sponsors: Representatives Kenney, Haler, Pettigrew, Blake, Dickerson, Morrell, Hasegawa, Flannigan, Ormsby, McCoy, Santos, Sells, Haigh, Cody, Quall, Rolfes, VanDeWege, Ericks, Grant, Lantz, Hankins, Hudgins, P. Sullivan, Williams, Skinner, Conway, Wood and O'Brien.

Brief Summary of Bill

- Creates the Community Development Fund in the State Treasury to provide grants for capacity-building, technical assistance and capital projects in distressed communities.

Hearing Date: 1/25/07

Staff: Meg Van Schoorl (786-7105).

Background:

In 2006, 15 of the 39 counties in Washington were designated as economically distressed because their unemployment rate was 20 percent or more above the statewide average over the previous three years. Six jurisdictions have been designated as Community Empowerment Zones by having at least 51 percent of their households with incomes at or below 80 percent of the county's median income and an average unemployment rate 20 percent above the statewide average. In addition to those officially designated, there are a number of other communities in Washington state that are characterized by high unemployment rates, low income populations, deteriorating infrastructure, and a lack of facilities for community services, workforce training, and education.

Summary of Bill:

The Legislature finds that making investments in distressed area economic development and social services initiatives can create active local business districts and neighborhoods, and increase opportunities for underserved people. The Legislature also finds that non-profit organizations fill an important public purpose.

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.

The Community Development Fund is created in the State Treasury to make grant awards to qualifying governments and non-profit organizations for capacity-building, technical assistance and capital projects that: (1) support local economic development initiatives; (2) offer access to human services; (3) provide education and recreational opportunities; (4) strengthen local capacity; and (5) support capital projects.

The six-member Joint Legislative Community Development Fund Committee (Committee) is created and given responsibility to hire staff, appoint co-chairs, and adopt rules and procedures. The Committee will establish and conduct a statewide competitive grant application process, and develop accountability and reporting standards for grantees. Beginning with grants for the 2009-11 biennium, the Committee will use required and discretionary criteria to evaluate grant applications, and will submit a prioritized list of recommended projects to the Legislature for approval. The Committee may also provide an alternate list of projects to the Legislature. The Legislature may remove projects from the recommended list and add projects from the alternate list but may not change the prioritization of the recommended list.

Once the Legislature has approved the list, the Department of Community, Trade and Economic Development (Department) will develop and manage grantee contracts, monitor performance, and report information to the Committee. Along with submitting its prioritized list of recommended projects, the Committee must report to the Legislature every two years on project results and recommendations for program changes. The initial Committee report on January 1, 2009 must propose one or more sources of funding for the Community Development Fund.

Thirteen pilot projects are authorized for Community Development Fund awards for the 2007-09 biennium, with a total cost of \$19,461,000 from the State Building Construction Fund and \$100,000 from the Community Development Fund.

Appropriation: For Fiscal Year 2007, the sum of \$700,000 from the State General Fund to the Community Development Fund.

For the 2007-09 Biennium:

- the sum of \$350,000 from the Community Development Fund to the Joint Legislative Community Development Fund Committee.
- the sum of \$100,000 from the Community Development Fund to the Department of Community, Trade, and Economic Development.
- the sum of \$150,000 from the Community Development Fund to the Department of Community, Trade, and Economic Development.
- the sum of \$100,000 from the Community Development Fund to the Department of Community, Trade, and Economic Development.
- the sum of \$19,461,000 from the State Building Construction Account to the Department of Community, Trade and Economic Development.

Fiscal Note: Requested on January 19, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed, except for Section 10 which appropriates \$700,000 from the State General Fund to the community development fund, and takes effect immediately.